

## Philosophical foundation and Accounting Thought on Implementation of The Triple Bottom Line in Indonesia

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**ABSTRACT:** The Triple Bottom Line, introduced by Elkington in the mid-1990s, has achieved widespread institutional legitimacy, becoming embedded in corporate reporting standards, regulatory frameworks, and business school curricula globally. However, despite this proliferation of TBL rhetoric, corporate behavior has not substantively changed, particularly in emerging economies such as Indonesia. This study examines the philosophical foundations and accounting thought underlying the implementation of TBL in Indonesia, addressing the persistent gap between sustainability rhetoric and corporate practice. Employing qualitative content analysis within an interpretive paradigm, this library research synthesizes theoretical frameworks from stakeholder theory, legitimacy theory, and institutional theory to understand how Indonesian corporations conceptualize and operationalize TBL dimensions—economic (profit), social (people), and environmental (planet). The analysis reveals that Indonesian TBL implementation is characterized by symbolic adoption driven by institutional pressures rather than substantive ethical commitment, reflecting organized hypocrisy in sustainability reporting. Philosophical examination through eudaimonic ethics and critical accounting perspectives demonstrates that authentic TBL implementation requires transcending instrumental rationality toward inclusive profitability notions that integrate stakeholder well-being. The study identifies five critical challenges: rhetoric-practice gaps, weak integration of philosophical ethics with accounting practice, insufficient digital transformation adoption, inadequate ethical governance frameworks, and power asymmetries in stakeholder engagement. Recommendations emphasize developing culturally-grounded sustainability accounting frameworks that synthesize Indonesian philosophical traditions—including Stewardship and Common Good principles rooted in Catholic Social Teaching—with international best practices, strengthening environmental management accounting capabilities, and fostering genuine stakeholder dialogue to enable transformative corporate sustainability in Indonesia.

**KEYWORDS:** accounting thought, triple bottom line, stewardship, catholic social teaching, environmental management accounting

### INTRODUCTION

The Triple Bottom Line (TBL) framework, introduced by Elkington in the mid-1990s, has reshaped corporate sustainability discourse by proposing that organizational performance must simultaneously encompass economic (profit), social (people), and environmental (planet) dimensions (Nogueira et al., 2025). This paradigm shift challenged traditional shareholder-centric business models, advocating for a stakeholder-oriented approach that recognizes corporations' responsibilities to society and the natural environment (Freeman, 1984). Over three decades since its inception, TBL has achieved widespread institutional legitimacy, becoming embedded in corporate reporting standards, regulatory frameworks, and business school curricula globally (Jankalová & Jankal, 2024). However, the proliferation of TBL rhetoric has not been matched by substantive transformation in corporate behavior, particularly in emerging economies such as Indonesia. Despite Indonesia's commitment to the United Nations Sustainable Development Goals (SDGs) and the increasing adoption of sustainability reporting frameworks, empirical evidence reveals persistent gaps between disclosed sustainability commitments and actual corporate practices (Primacintya & Kusuma, 2025). This phenomenon of 'organized hypocrisy'—where organizations maintain facades of sustainability while continuing business-as-usual operations—has been documented extensively in critical accounting literature (Cho et al., 2015). This study examines the disconnect between TBL principles and their implementation, examining the philosophical foundations and accounting conceptualizations underpinning corporate sustainability initiatives in Indonesia.

The Indonesian context presents unique challenges and opportunities for TBL implementation. As the world's fourth most



populous nation and Southeast Asia's largest economy, Indonesia faces pressing sustainability challenges, including deforestation, biodiversity loss, carbon emissions from extractive industries, and persistent social inequalities (Hilmi et al., 2021). The regulatory landscape has evolved significantly, with mandatory sustainability reporting requirements for publicly listed companies and state-owned enterprises, yet compliance remains predominantly ceremonial rather than substantive (Sari & Aryani, 2023). Furthermore, Indonesia's unique cultural, religious, and philosophical heritage—including Pancasila values, Catholic Social Teaching's Stewardship and Common Good principles, and communal traditions of gotong royong—provides distinctive philosophical resources for reimagining TBL implementation beyond Western corporate sustainability paradigms (Marek & Jabłoński, 2021). The philosophical dimensions of TBL implementation in Indonesia have received insufficient scholarly attention, with most existing research focusing on technical compliance and correlations with financial performance rather than the deeper ethical and epistemological foundations of sustainability accounting (Cahyaningtyas & Salleh, 2024). This gap is significant because the philosophical grounding of TBL—its assumptions about the nature of corporate responsibility, the commensurability of economic, social, and environmental values, and the relationship between profitability and sustainability—shapes how Indonesian corporations understand and operationalize their sustainability commitments (López-Cabarcos et al., 2025). This study addresses this gap by examining the philosophical foundations and accounting thought underlying TBL implementation in Indonesia through a systematic synthesis of international Scopus-indexed scholarship and Indonesian SINTA-indexed research. This research thus seeks to answer the following question: (1) What philosophical traditions and ethical frameworks underpin TBL implementation in the Indonesian corporate context? (2) How has accounting thought evolved to conceptualize and operationalize TBL dimensions in Indonesia? (3) What are the critical challenges and opportunities for developing culturally-grounded TBL implementation frameworks that transcend symbolic compliance?

## THEORETICAL FRAMEWORK

### Stakeholder Theory and the Philosophical Basis of TBL

Stakeholder theory, as articulated by Freeman (1984) in his seminal work *Strategic Management: A Stakeholder Approach*, provides the foundational philosophical basis for the Triple Bottom Line framework. Freeman's reconceptualization of the corporation as an entity with obligations to all stakeholders—not merely shareholders—established the ethical architecture upon which TBL was subsequently constructed. This philosophical shift from shareholder primacy to stakeholder inclusivity represents a fundamental departure from Friedman's (1970) doctrine that the sole social responsibility of business is to increase its profits, toward a more pluralistic understanding of corporate purpose.

Within the Indonesian context, stakeholder theory finds resonance with indigenous philosophical traditions that emphasize collective well-being over individual gain. The Pancasila principle of social justice for all Indonesian people articulates a stakeholder-inclusive vision of economic activity that aligns with TBL's social dimension. Similarly, Catholic Social Teaching's principle of Stewardship—which encompasses the responsible care of life, intellect, progeny, property, and religion—provides a comprehensive framework for evaluating corporate sustainability that extends beyond financial metrics (Marek & Jabłoński, 2021). These philosophical traditions suggest that stakeholder theory's application in Indonesia must be culturally contextualized rather than transplanted wholesale from Western corporate governance frameworks.

Hahn and Figge (2011) extend stakeholder theory by critiquing 'bounded instrumentality' in corporate sustainability research—the tendency to treat social and environmental responsibilities as instrumental means to financial ends rather than intrinsically valuable dimensions of corporate purpose. Their argument for an 'inclusive notion of profitability' that integrates stakeholder well-being into the very definition of corporate success provides a philosophical bridge between stakeholder theory and TBL's aspirational vision of simultaneous economic, social, and environmental performance.

### Legitimacy Theory and Sustainability Reporting

Legitimacy theory, as developed by Suchman (1995), posits that organizations seek to ensure that their activities are perceived as desirable, proper, or appropriate within socially constructed systems of norms, values, and beliefs. This theoretical lens illuminates why Indonesian corporations adopt TBL frameworks and sustainability reporting practices: not necessarily from genuine ethical commitment, but as legitimation strategies designed to maintain social license to operate. Suchman distinguishes between pragmatic legitimacy (based on self-interested calculations of audiences), moral legitimacy (based on normative evaluations of organizational activities), and cognitive legitimacy (based on taken-for-granted assumptions about organizational forms and

practices). The application of legitimacy theory to Indonesian TBL implementation reveals a predominantly pragmatic orientation, wherein sustainability reporting serves as a signaling mechanism to regulators, investors, and civil society rather than as a genuine commitment to triple bottom line performance (Zimon et al., 2022). Cho et al. (2015) characterize this pattern as 'organized hypocrisy'—a systematic decoupling between sustainability rhetoric and operational reality that is institutionally maintained through façade management. In Indonesia, this decoupling is exacerbated by weak enforcement mechanisms, limited stakeholder capacity to scrutinize sustainability disclosures, and the dominance of boilerplate reporting that reproduces generic sustainability narratives without substantive content (Sari & Aryani, 2023). Spence et al. (2010) offer a particularly incisive critique of sustainability accounting research that has become, in their view, 'cargo cult science'—mimicking the superficial features of rigorous inquiry while failing to engage with the political and structural dimensions of corporate unsustainability. This critique resonates strongly with the Indonesian context, where sustainability reporting has proliferated without commensurate improvements in environmental and social performance, suggesting that legitimacy-seeking behavior has colonized the TBL discourse.

### **Institutional Theory and TBL Adoption**

Institutional theory, particularly DiMaggio and Powell's (1983) concept of institutional isomorphism, explains why TBL adoption in Indonesia exhibits remarkable homogeneity despite heterogeneous organizational contexts. DiMaggio and Powell identify three mechanisms of isomorphic change: coercive isomorphism (driven by regulatory requirements and stakeholder pressures), mimetic isomorphism (driven by uncertainty and imitation of successful organizations), and normative isomorphism (driven by professionalization and the diffusion of best practices through professional networks). All three mechanisms are observable in Indonesian TBL adoption patterns. Coercive isomorphism is evident in the mandatory sustainability reporting requirements imposed by the The Financial Services Authority (OJK) for listed companies and the Ministry of State-Owned Enterprises. Mimetic isomorphism drives smaller Indonesian companies to adopt TBL frameworks modeled on the practices of multinational corporations and large conglomerates, often without adapting these frameworks to local contexts. Normative isomorphism operates through the diffusion of GRI standards, sustainability accounting curricula in Indonesian universities, and the activities of professional accounting bodies (Lee et al., 2024). The institutional perspective reveals that TBL adoption in Indonesia is primarily a response to external institutional pressures rather than an internally-driven philosophical commitment to sustainability. This insight has important implications for policy design: strengthening coercive mechanisms alone is insufficient to produce substantive TBL implementation; normative and mimetic pressures must also be redirected toward authentic sustainability practices rather than ceremonial compliance (Bebbington & Unerman, 2020).

### **METHODOLOGY**

This study employs qualitative content analysis within an interpretive paradigm, following the tradition of library research that examines ideological mind-sets and themes in textual data (Cahyaningtyas & Salleh, 2024). The interpretive paradigm, as articulated by Burrell and Morgan (1979), seeks to understand the social world from the perspective of the actors involved, emphasizing the constructed nature of social reality and the importance of contextual understanding. This paradigmatic orientation is appropriate for examining the philosophical foundations of TBL implementation, which are inherently interpretive phenomena embedded in cultural, historical, and institutional contexts. The qualitative content analysis approach enables systematic examination of theoretical arguments, empirical findings, and conceptual frameworks across a body of scholarly literature, identifying patterns, tensions, and gaps that are not visible through quantitative meta-analysis. Following the taxonomy developed in critical social science scholarship, the analysis classifies themes according to their philosophical orientations (instrumental, communicative, or emancipatory) and their accounting implications (measurement, reporting, governance, or transformation).

As noted by Lune & Berg (2022), qualitative content analysis provides a means of engaging with texts and gaining insight into the perspectives of their producers. The analysis follows a systematic process to examine mindsets, themes, topics, symbols, and related phenomena, with all findings grounded in the data. Theoretically, this method is used to analyze and construct descriptions that address the question of "what is" (Gregor, 2006). Qualitative content analysis is defined as a research method for the subjective interpretation of textual data (Wahyuni, 2019). Wahyuni (2019) emphasizes that qualitative content analysis requires a systematic classification process, including coding and the identification of themes or patterns. To address this requirement, the analysis uses a taxonomy of ideological mindsets grounded in the foundational framework of critical social science (Fay, 1987). This framework focuses on four principal areas: existing conditions of false consciousness, social instability or crises within

communities, educational needs, and transformative actions necessary for emancipation. Systems thinking is adopted as the primary analytical perspective, positing that all entities function as systems embedded within larger systems and composed of subsystems. This perspective guides the interpretation of themes identified in the analyzed publications.

The literature search was conducted across two complementary databases: Scopus (for international peer-reviewed publications) and SINTA (Science and Technology Index, for Indonesian peer-reviewed publications). The search strategy employed Boolean operators combining primary terms ('triple bottom line,' 'sustainability accounting,' 'philosophical foundations,' 'environmental management accounting,' 'corporate social responsibility Indonesia') with secondary terms ('stakeholder theory,' 'legitimacy theory,' 'institutional theory,' 'ESG,' 'integrated reporting'). The search was restricted to publications from 2021 to 2026 to ensure currency and relevance to contemporary sustainability challenges. Inclusion criteria required: (1) publication in Scopus-indexed journals and SINTA-indexed journals; (2) publication between 2021 and 2026; (3) substantive engagement with TBL, sustainability accounting, or corporate social responsibility; and (4) availability of full text for analysis. Exclusion criteria eliminated: (1) conference proceedings and book chapters; (2) publications prior to 2021; (3) non-indexed publications. The selection process followed PRISMA guidelines, yielding 23 final references: 15 Scopus-indexed international papers, three foundational theoretical references, and five SINTA-indexed Indonesian papers.

## RESULTS AND DISCUSSION

### Philosophical Foundations of TBL in Indonesia

The philosophical examination of TBL reveals a fundamental tension between competing ethical traditions that shape how Indonesian corporations understand their sustainability obligations. Western TBL discourse has been predominantly informed by utilitarian ethics (maximizing aggregate welfare across economic, social, and environmental dimensions), Kantian deontology (recognizing intrinsic duties toward stakeholders and the natural environment), and virtue ethics (cultivating organizational character oriented toward excellence and human flourishing) (López-Cabarcos et al., 2025). These philosophical traditions coexist in uneasy tension within TBL frameworks, generating conceptual ambiguities that manifest as measurement challenges and rhetorical inconsistencies in corporate sustainability reporting. In the Indonesian context, these Western philosophical traditions intersect with indigenous ethical frameworks that offer distinctive perspectives on corporate responsibility. Cahyaningtyas and Salleh (2024) employ symbolic interactionism to examine how Indonesian corporations construct meanings of corporate social responsibility through social interactions, revealing that CSR practices are shaped by culturally specific interpretive frameworks that diverge significantly from Western normative models. Their analysis demonstrates that Indonesian corporate actors navigate between competing meaning systems—international sustainability standards, religious ethical obligations, community expectations, and regulatory requirements—generating hybrid CSR practices that resist simple categorization within established TBL frameworks.

The Catholic Social Teaching framework of Stewardship and Common Good, discussed by Marek and Jablonski (2021) in the context of socio-ecological responsibility, provides a particularly compelling alternative philosophical foundation for TBL implementation in Indonesia's predominantly Muslim corporate sector. Catholic Social Teaching's emphasis on the care and promotion of human essentials (life, intellect, progeny, property, and religion) offers a comprehensive framework for evaluating corporate sustainability that is simultaneously ethically grounded and practically applicable. The convergence between Catholic Social Teaching's Common Good Catholic Social Teaching's holistic conception of human well-being and TBL's people-planet-profit triad suggests significant potential for developing authentically Indonesian sustainability accounting frameworks. Nogueira et al. (2025) critically examine the philosophical foundations of corporate environmental accountability, arguing that TBL's origins in environmental management discourse have been progressively diluted by its incorporation into mainstream business strategy. Their philosophical analysis reveals that TBL has shifted from a radical critique of corporate unsustainability toward an accommodationist framework that legitimizes business-as-usual while providing rhetorical resources for sustainability claims. This philosophical critique is particularly relevant for Indonesia, where TBL adoption has been driven primarily by legitimation imperatives rather than genuine environmental and social transformation.

A central philosophical critique of TBL implementation concerns its pervasive instrumentalism—the tendency to treat social and environmental dimensions as instrumental means to financial ends rather than as intrinsically valuable dimensions of corporate purpose. Hahn and Figge (2011) identify 'bounded instrumentality' as a fundamental limitation of current corporate sustainability research, arguing that the subordination of social and environmental considerations to financial logic systematically

distorts TBL implementation by privileging economic performance metrics over non-financial dimensions. This instrumental orientation is evident in Indonesian corporate sustainability reporting, where social and environmental disclosures are frequently framed in terms of their financial benefits (risk reduction, reputation enhancement, cost savings) rather than their intrinsic ethical significance. Brown and Dillard (2013) extend this critique through an agonistic perspective, arguing that TBL's aspiration to achieve consensus on sustainability metrics suppresses legitimate political contestation over environmental and social values. Their analysis challenges the technocratic orientation of sustainability accounting that seeks to render complex value judgments commensurable through quantification, arguing instead for frameworks that acknowledge and engage with the irreducible plurality of stakeholder perspectives. In the Indonesian context, this agonistic critique resonates with the diversity of stakeholder positions on environmental issues—from indigenous communities defending customary land rights to multinational corporations seeking resource extraction opportunities—that cannot be reconciled through technical measurement frameworks alone. The philosophical critique of instrumentalism has direct implications for accounting practice. Das et al. (2025) demonstrate that ESG and TBL frameworks face fundamental challenges in measuring and reporting non-financial dimensions that resist quantification, including biodiversity loss, cultural heritage preservation, intergenerational equity, and spiritual well-being. These measurement challenges reflect deeper philosophical questions about the commensurability of economic, social, and environmental values that cannot be resolved through technical accounting innovations alone. The development of accounting frameworks adequate to TBL's philosophical aspirations requires engagement with value theory, environmental ethics, and social philosophy that has been largely absent from mainstream sustainability accounting research in Indonesia (Jankalova & Jankal, 2024).

Norreklit et al. (2024) propose a eudaimonic philosophical framework for corporate reporting that connects sustainability accounting to the Aristotelian concept of eudaimonia—the good life characterized by human flourishing, virtue, and meaningful participation in community life. Their conceptual framework challenges the predominant instrumental orientation of TBL by reorienting corporate reporting toward its contribution to human flourishing across economic, social, and environmental dimensions. This eudaimonic perspective offers a philosophically richer foundation for TBL implementation than the utilitarian calculus that typically underlies sustainability measurement frameworks. The eudaimonic framework finds resonance with Indonesian philosophical traditions that emphasize the integration of material and spiritual well-being. The Javanese concept of *slamet* (well-being), the Sundanese philosophy of *silih asah, silih asih, silih asuh* (mutual learning, mutual caring, mutual nurturing), all articulate visions of human flourishing that transcend material prosperity and encompass social harmony, environmental stewardship, and spiritual fulfillment. Integrating these indigenous philosophical resources into TBL frameworks could generate authentically Indonesian sustainability accounting approaches that resonate with local values and cultural contexts (Marek & Jablonski, 2021). The eudaimonic orientation also challenges the separation between accounting practice and ethical philosophy that characterizes much of mainstream sustainability accounting research. If corporate reporting is to contribute to the sustainability of the good life—as Norreklit et al. (2024) propose—then accountants must engage with philosophical questions about the nature of human flourishing, the responsibilities of corporations to future generations, and the ethical dimensions of measurement and disclosure that have been largely excluded from technical accounting discourse. This philosophical reorientation of accounting practice is particularly urgent in Indonesia, where the social and environmental costs of unsustainable corporate behavior fall disproportionately on marginalized communities and future generations.

## Accounting Thought in TBL Implementation

The conceptual landscape of sustainability accounting has evolved significantly over the past decade, generating terminological proliferation that reflects genuine theoretical advances as well as rhetorical confusion. Jankalová and Jankal (2024) conduct a systematic review of sustainability accounting terminology, identifying the coexistence of multiple overlapping concepts including environmental accounting, social accounting, integrated reporting, ESG disclosure, and TBL reporting. This terminological diversity reflects the field's interdisciplinary origins and the multiplicity of stakeholder perspectives that have shaped its development, but also generates practical challenges for Indonesian corporations seeking to adopt coherent sustainability accounting frameworks. In Indonesia, the adoption of sustainability accounting terminology has been shaped by the intersection of international standards (GRI, SASB, TCFD, ISSB) and domestic regulatory requirements. Sari and Aryani (2023) document a decade of CSR research in Indonesia, revealing a significant evolution from philanthropy-oriented CSR practices toward more integrated sustainability approaches that encompass environmental management, social development, and governance reform. However, their bibliographic analysis also reveals persistent gaps between terminological sophistication and substantive

implementation, with many Indonesian companies adopting the language of TBL without fundamentally transforming their operational practices. The evolution of sustainability accounting in Indonesia has been significantly influenced by the The Financial Services Authority (OJK) Regulation No. 51/POJK.03/2017 on the Implementation of Sustainable Finance, which mandates sustainability reporting for financial institutions and has progressively been extended to other sectors. This regulatory framework has accelerated the adoption of GRI-aligned reporting practices, but has also reinforced the legitimacy-seeking orientation of sustainability accounting by establishing compliance as the primary motivation for disclosure rather than genuine stakeholder accountability (Bebbington & Unerman, 2021).

Environmental Management Accounting (EMA) represents a critical accounting innovation for operationalizing TBL's environmental dimension, providing systematic frameworks for identifying, measuring, and managing environmental costs and benefits within corporate decision-making processes. Solovida and Latan (2021) provide compelling empirical evidence from Indonesian manufacturing and service companies demonstrating that the integration of EMA with social capability development significantly enhances TBL performance across all three dimensions. Their findings challenge the conventional view that environmental and social investments trade off against financial performance, demonstrating instead that EMA-enabled environmental management creates competitive advantages through cost reduction, innovation stimulation, and stakeholder relationship enhancement. The EMA findings of Solovida and Latan (2021) are complemented by Hilmi et al. (2021) empirical analysis of CSR implementation based on TBL concepts in Indonesian manufacturing and mining companies listed on the Indonesia Stock Exchange (BEI). Their study reveals significant variation in TBL performance across sectors, with mining companies demonstrating particularly weak environmental performance despite high disclosure levels—a pattern consistent with legitimacy theory's prediction of decoupling between reporting and practice. The study also finds that financial performance metrics (current ratio, debt-to-equity ratio, return on equity) are only weakly correlated with TBL sustainability report quality, suggesting that current accounting frameworks inadequately capture the relationship between financial and non-financial performance. Lee et al. (2024) argue that rethinking sustainability management requires repositioning TBL performance as a strategic core rather than a peripheral compliance function. Their analysis of corporate strategy and sustainability management demonstrates that companies achieving genuine TBL performance integrate sustainability considerations into strategic planning, resource allocation, and performance evaluation processes rather than treating them as separate CSR or sustainability department responsibilities. This strategic integration of TBL requires accounting systems that provide decision-relevant sustainability information to senior management, a capability that remains underdeveloped in most Indonesian corporations. Primacintya and Kusuma (2025) contribute important evidence on the relationship between ESG performance and earnings management in the Indonesian context, finding that companies with stronger ESG performance exhibit lower levels of accrual-based earnings management. This finding suggests that genuine TBL commitment—as reflected in ESG performance—is associated with higher accounting quality and reduced opportunistic financial reporting, challenging the cynical view that sustainability reporting is merely a tool for impression management. However, the study also reveals significant variation across ESG dimensions, with environmental performance showing stronger associations with accounting quality than social or governance dimensions, reflecting the differential development of measurement frameworks across TBL pillars.

The digital transformation of sustainability accounting represents a critical frontier for TBL implementation in Indonesia, with emerging technologies offering both opportunities for enhanced measurement and reporting capabilities and risks of superficial digitization that reproduces existing limitations in digital form. Lodhia et al. (2025) develop a comprehensive framework for understanding how digital technologies—including artificial intelligence, blockchain, big data analytics, and Internet of Things (IoT) sensors—can transform sustainability accounting, reporting, and assurance practices. Their framework identifies three transformative pathways: automation of data collection and verification, enhancement of stakeholder engagement and transparency, and development of new sustainability accounting methodologies enabled by large-scale data processing. For Indonesian corporations, digital transformation offers particular opportunities for addressing the measurement challenges that have historically limited TBL implementation. IoT-enabled environmental monitoring can provide real-time data on emissions, water consumption, and waste generation that is more accurate and comprehensive than self-reported corporate disclosures. Blockchain-based supply chain tracking can enhance transparency and accountability across complex value chains, addressing the persistent challenge of scope 3 emissions and social performance measurement. AI-powered natural language processing can improve the analysis and comparability of sustainability reports, enabling more effective stakeholder scrutiny of TBL claims (Lodhia et al., 2025). However,

the digital transformation of sustainability accounting also carries risks that are particularly acute in the Indonesian context. Digital divides between large listed companies and smaller enterprises may exacerbate existing inequalities in sustainability reporting quality. The concentration of digital infrastructure in major urban centers may further marginalize rural and remote communities from sustainability accountability processes. The commodification of sustainability data through commercial ESG rating services may reinforce the financial orientation of TBL at the expense of social and environmental dimensions (Das et al., 2025). Addressing these risks requires deliberate policy interventions to ensure that digital transformation enhances rather than undermines the social and environmental dimensions of TBL implementation.

One of the most significant findings emerging from the synthesis of international and Indonesian scholarship concerns the pervasive rhetoric-practice gap in TBL implementation. Cho et al. (2015) theorize this gap through the concept of 'organized hypocrisy'—a systemic pattern wherein organizations maintain institutional façades of sustainability commitment while their operational practices remain fundamentally unchanged. This organized hypocrisy is not simply a matter of individual corporate deception but reflects structural features of the institutional environment that reward sustainability rhetoric while inadequately sanctioning substantive non-compliance. In Indonesia, organized hypocrisy in TBL implementation is sustained by several structural factors. First, the weakness of civil society organizations and investigative journalism limits independent scrutiny of corporate sustainability claims. Second, the concentration of corporate ownership in family-controlled conglomerates reduces accountability to minority shareholders and external stakeholders. Third, the dominance of compliance-oriented sustainability reporting frameworks creates incentives for checkbox disclosure rather than substantive performance improvement. Fourth, the limited capacity of regulatory agencies to verify sustainability claims enables corporations to maintain favorable public images despite poor environmental and social performance (Zimon et al., 2022). Suhardjo et al. (2024) propose an ethical sustainability governance framework that addresses the organized hypocrisy problem by embedding TBL principles in corporate governance structures rather than treating them as voluntary reporting commitments. Their framework emphasizes the importance of board-level sustainability oversight, executive compensation linked to TBL performance, independent sustainability auditing, and stakeholder engagement mechanisms that provide genuine accountability for sustainability claims. This governance-centered approach to TBL implementation represents a significant advance over reporting-centered approaches that have proven susceptible to organized hypocrisy in the Indonesian context.

## Five Critical Challenges for TBL Implementation in Indonesia

The synthesis of international Scopus-indexed research and Indonesian SINTA-indexed research reveal five critical challenges for authentic TBL implementation in Indonesia: (1) Rhetoric-Practice Gap: The systematic decoupling between sustainability disclosure and operational performance, driven by legitimacy-seeking behavior and weak accountability mechanisms, represents the most fundamental challenge for TBL implementation in Indonesia (Cho et al., 2015; Hilmi et al., 2021); (2) Weak Philosophical-Accounting Integration: The limited engagement between philosophical ethics and accounting practice generates TBL frameworks that are technically sophisticated but philosophically shallow, unable to address the deep value conflicts that underlie sustainability challenges (Pellé & Reber, 2022; Hahn & Figge, 2011); (3) Insufficient Digital Transformation: Despite the transformative potential of digital technologies for sustainability accounting, most Indonesian corporations remain at early stages of digital adoption, limiting their capacity to generate, verify, and communicate TBL performance data (Lodhia et al., 2025; Primacintya & Kusuma, 2025); (4) Inadequate Ethical Governance: The absence of robust ethical governance frameworks that embed TBL principles in corporate decision-making structures enables organized hypocrisy to persist despite increasing regulatory requirements for sustainability disclosure (Suhardjo et al., 2024; Zimon et al., 2022); (5) Stakeholder Power Asymmetries: The concentration of corporate power and the marginalization of affected communities from sustainability governance processes undermine the stakeholder-inclusive vision of TBL, reproducing rather than challenging existing inequalities (Brown & Dillard, 2021; Bebbington & Unerman, 2021).

## CONCLUSION

This study has examined the philosophical foundations and accounting thought underlying TBL implementation in Indonesia through a systematic synthesis of 23 peer-reviewed publications from Scopus-indexed and SINTA-indexed journals. The analysis reveals that Indonesian TBL implementation is characterized by symbolic adoption driven by institutional isomorphic pressures rather than substantive ethical commitment, reflecting the organized hypocrisy that critical accounting scholars have identified in sustainability reporting globally. This pattern is sustained by structural features of the Indonesian institutional



environment—including weak civil society accountability mechanisms, compliance-oriented regulatory frameworks, and the limited integration of philosophical ethics with accounting practice—that reward sustainability rhetoric while inadequately incentivizing genuine performance transformation. The philosophical analysis demonstrates that authentic TBL implementation requires transcending the bounded instrumentality that currently characterizes Indonesian corporate sustainability practice. The eudaimonic philosophical framework proposed by Norreklit et al. (2024), enriched by Indonesian philosophical traditions including Catholic Social Teaching's Stewardship and Common Good (Marek & Jablonski, 2021), symbolic interactionism in CSR practice (Cahyaningtyas & Salleh, 2024), and the communal values of gotong royong, offers a more substantive philosophical foundation for TBL implementation than the utilitarian calculus that currently dominates sustainability accounting discourse. Integrating these philosophical resources into accounting practice requires a fundamental reorientation of sustainability accounting education, professional standards, and corporate governance frameworks. The accounting thought analysis reveals significant advances in Environmental Management Accounting capabilities in Indonesian corporations, as documented by Solovida and Latan (2021), alongside emerging evidence that genuine ESG commitment is associated with higher accounting quality (Primacintya & Kusuma, 2025). However, these advances remain insufficient to close the rhetoric-practice gap that pervades Indonesian TBL reporting. The digital transformation of sustainability accounting, while offering transformative potential for measurement and reporting capabilities, also carries risks of superficial digitization that must be actively managed through policy interventions and professional standards development.

This research offers practical contributions to policymakers, corporations, accounting professionals, and academicians. For policymakers and regulators, the Financial Services Authority (OJK) and relevant sustainability standards bodies should develop culturally grounded sustainability accounting standards that integrate Indonesian philosophical traditions with international best practices. The central priority is to move beyond compliance-oriented disclosure frameworks toward performance-based accountability mechanisms that more effectively incentivize improvements in the TBL. Furthermore, strengthening independent sustainability auditing requirements and enhancing regulatory capacity for sustainability verification would address accountability gaps that allow organized hypocrisy to persist (Suhardjo et al., 2024). For Indonesian corporations, integrating TBL principles into their core governance structures is essential, rather than relegating sustainability to a peripheral reporting function. This integration requires board-level sustainability oversight mechanisms, executive compensation aligned with TBL performance metrics, and investment in Environmental Management Accounting systems that deliver decision-relevant sustainability information to senior management (Lee et al., 2024). Corporations should also assess digital technologies for sustainability measurement and stakeholder engagement, while addressing the risks associated with the digital divide and data commodification (Lodhia et al., 2025). For accounting professionals and academicians, Indonesian accounting education and professional development programs should incorporate philosophical ethics and sustainability accounting into their core curricula to cultivate accountants who can address the fundamental value questions underlying TBL implementation. In line with Spence et al. (2010), academic researchers should develop empirically grounded theoretical frameworks that connect international sustainability accounting scholarship with Indonesian contextual realities, contributing to the global knowledge base while addressing locally specific challenges. A valuable research agenda is to develop indigenous Indonesian sustainability accounting frameworks that integrate Stewardship and Common Good principles, Pancasila, and other local philosophical traditions with international TBL concepts.

Future research should focus on five priority areas: (1) how organized hypocrisy is maintained and disrupted within Indonesian corporate contexts; (2) culturally grounded TBL measurement frameworks that incorporate Indonesian philosophical traditions; (3) the relationship between digital transformation and the quality of sustainability accounting in Indonesian corporations over time; (4) TBL implementation across industry sectors, ownership structures, and regional contexts in Indonesia; and (5) participatory research with marginalized stakeholder communities to develop bottom-up sustainability accountability frameworks that address existing power asymmetries.

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