

**PERCEPTIONS OF MSME ACTORS TOWARDS DISCLOSURE
OF SUSTAINABILITY REPORTS
(CASE STUDY ON MSME BONTOLOE, TAKALAR DISTRICT)**

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***Abstract:** This study aims to examine differences in the perceptions of MSME actors on sustainability reporting disclosures. This difference in perception will be tested on environmentally sensitive MSMEs and non-environmentally sensitive MSMEs. Differences in the perceptions of MSME actors will then be tested on the compliance aspect; aspects of understanding sustainability; sustainable corporate governance aspects; aspects of political, environmental and social sustainability performance; and aspects of the economic performance of SMEs. The research population is the research sample used, consisting of 120 MSME actors consisting of 10 service MSMEs and 110 non-service MSMEs. The research data was processed using SPSS 25. The results of the study showed that there were significant differences in aspects of sustainable understanding, aspects of political, environmental and social sustainability performance, and aspects of economic performance between environmentally sensitive MSMEs and non-environmentally sensitive MSMEs, but there were no differences significantly to the compliance aspect and sustainable corporate governance aspects.*

***Keywords:** perception, MSME, disclosure, sustainability report*

Abstrak: Penelitian ini bertujuan untuk menguji perbedaan persepsi pelaku UMKM terhadap pengungkapan pelaporan keberlanjutan. Perbedaan persepsi tersebut akan diuji terhadap UMKM sensitif lingkungan dan UMKM non-sensitif lingkungan. Perbedaan atas persepsi pelaku UMKM kemudian akan diuji terhadap aspek kepatuhan; aspek pemahaman keberlanjutan; aspek tata kelola perusahaan berkelanjutan; aspek kinerja politik, lingkungan, dan sosial keberlanjutan; dan aspek kinerja ekonomi UMKM. Populasi penelitian merupakan Sampel penelitian yang digunakan merupakan 120 pelaku UMKM yang terdiri dari 10 UMKM jasa dan 110 UMKM non-jasa. Data penelitian diolah dengan menggunakan SPSS 25. Hasil dari penelitian menunjukkan bahwa terdapat perbedaan signifikan pada aspek pemahaman berkelanjutan, aspek kinerja politik, lingkungan, dan sosial keberlanjutan, dan aspek kinerja ekonomi antara UMKM sensitif lingkungan dengan UMKM non sensitif lingkungan, akan tetapi tidak terdapat perbedaan signifikan terhadap pada aspek kepatuhan dan aspek tata kelola perusahaan berkelanjutan.

Kata Kunci: persepsi, UMKM, pengungkapan, laporan keberlanjutan,

INTRODUCTION

Based on UU RI no. 19 of 2003, MSMEs are one of the important actors in the structure of the Indonesian economy, among two other actors, namely private companies and BUMN (UU Republik Indonesia, 2003; Nagu, 2021). Currently, the development of MSMEs is in the phase of entering a year of transformative recovery, from Covid-19 Pandemic to Post Covid-19. One of the foundations of transformational recovery adaptation is easy access to financing, in addition to market expansion & digitalization, partnerships, data collection and bureaucratic reform (Kemenkopukm, 2022). 70% of the targets of the Indonesian Ministry of Cooperatives' priority financing access program are MSMEs, youth cooperatives, women and focus on supporting the development of environmentally friendly businesses or the green economy. The Ministry of Cooperatives' transformational adaptation foundations above are in line with the principles and objectives of MSMEs in UU RI no. 20 of 2008, Article 2 concerning "MSMEs: Principles & Objectives", namely the principle of being environmentally aware and sustainable. Therefore, MSMEs must care about environmental and social issues in carrying out all their operational activities.

MSMEs are the dominant type of business in almost every country, including Indonesia, and this also means they are the largest contributors to waste (Yuliani et al., 2020; 2018). According to data from the Ministry of Cooperatives and SMEs of the Republic of Indonesia, of the 64 million businesses in Indonesia, the MSME sector dominates with a percentage of 99.9%. MSMEs are the backbone of the economy in Indonesia because they contribute 60.34% to national GDP and absorb 97% of the total national workforce (MTI, 2022). Apart from MSMEs in Indonesia playing an important role in forming GDP, the role of MSMEs is also in increasing investment, exports and reducing unemployment (Yuliani et al., 2020). However, due to the production of these MSMEs, they have become one of the largest contributors to waste. Globally, there is an estimation that states that MSMEs contribute up to 70% of waste (Schaper, 2001).

Unfortunately from a sustainability perspective, MSME actors in Indonesia still have several problems, such as (a) having poor compliance awareness with environmental and social issues; (b) not being aware of how their economic activities can negatively impact the environment; (c). have low knowledge of environmental issues and laws and regulations; (d) have different perceptions, views, understanding and aspirations regarding environmental issues (Yulianti et al, 2018;). Another major essential problem is the low number of MSME players who disclose all their economic activities in sustainability reports (Arsyad et al., 2022; Damayanti & Hardiningsih, 2021; Eriyanti, 2022; Permatasari & Kosasih, 2022).

Trends in Indonesia regarding economic sustainability have emerged since the issuance of POJK 51 of 2017 and SOJK regulation no. 16 of 2021 concerning the preparation of sustainability reporting (Permatasari & Kosasih, 2022). Even though until now there are no regulations in the form of standards that require the preparation of sustainability reports to be based on GRI standards, most companies in Indonesia, including MSMEs such as Gojek, have implemented GRI standards in preparing their sustainability reports.(Ekasari et al., 2019). At its initial launch in 2010, Gojek was a service MSME from Indonesia.

Achieving and maintaining efforts for sustainable development is not only the responsibility of large or multi-national companies but also MSMEs (Permatasari & Kosasih, 2022). The sustainability report is implemented to communicate the contribution of sustainable organizational development to stakeholders. This report advances trends in risk management, improved performance, responsible business practices and generates new opportunities in the global market.

The Global Reporting Initiative (GRI) is a non-governmental organization that develops and disseminates sustainability reporting guidelines which will be used globally (NCSR, 2022). All organizations can report on their organizational sustainability through the GRI reporting standards because these guidelines have been prepared through a multi-stakeholder process that combines the contributions of several parties from business, research, accounting, human rights and labor organizations from around the world (NCSR, 2022). Sustainability reporting practices need to be carried out by all organizations as a form of the Corporate Governance concept, namely that every organization must pay attention to the interests of its stakeholders for the long-term survival of the organization (Utama, 2007). GRI standards have languages that can be communicated and are easily understood by organizations and stakeholders which explains the flow of the economic, environmental and social impacts of the organization (GRI, 2016; Nagu, 2021). GRI Standards can be used to assist in designing the sustainability report of the organization for their sustainability efforts based on reporting principles and focuses on material topics. GRI can be used by organizations ranging from companies in every industrial sector, both small and large throughout the world, including the micro, small and medium enterprise or MSME sector. GRI reporting is important for companies, including MSMEs, because it can provide a competitive advantage. The guidance from GRI will target the notification of important information for stakeholders who will then determine the sustainability and success of MSMEs.

Research related to this issue has not been carried out by many other researchers. Previous studies focused more on issues relevant to the disclosure of ethics and integrity in BUMN sustainability reporting (Ekasari et al., 2019). This research further discusses how ethics and integrity are disclosed in sustainability reports using content analysis methods that reveal how companies are committed to expressing ethical and integrity values, including professionalism, excellence, customer focus, and so on. The next research is MSME Sustainability Reports Analysis for Developing Sustainability Reporting Guidelines (Permatasari & Kosasih, 2022; Krawczyk, 2021). This research discusses the creation of sustainability practice reporting guidelines in Indonesia through literature reviews, interviews and surveys to produce sustainability reporting guidelines for MSMEs. Research conducted by researchers is important to test the perceptions of MSME actors regarding disclosure of sustainability reporting. The perception used in this study is between environmentally sensitive MSMEs and non-environmentally sensitive MSMEs

THEORETICAL REVIEW

Stakeholder Theory

Theory stakeholder is a framework used to analyze the relationship between organizations and stakeholder. Stakeholders, according to Freeman (1984), are individuals or groups who have interests or concerns involved in an organization or project. Stakeholder can come from various backgrounds, such as employees, consumers, suppliers, shareholders, local communities, and government (Mitchell et al., 1997). Identification process stakeholder This is done by paying attention to who is affected or influences the organization, as well as what their interests and strengths are in the organization. Analysis of interests and strengths stakeholder is the process of identifying interests and strengths stakeholder in an organization.

Stakeholder management strategy includes communication and engagement stakeholder, risk and conflict management, empowerment stakeholder, and recognizing and responding to the needs of stakeholder. Open and regular communication with stakeholders can help build good relationships and ensure that their interests are considered in decision making. Risk and conflict management is an effort to identify and manage risks and conflicts that arise from different interests between stakeholders-his. Stakeholder empowerment is done by providing access and resources needed to participate in the decision-making process. Recognizing and responding to the needs of stakeholders it is also important to meet their needs and interests proactively (Donaldson & Preston, 1995). Stakeholder theory can help organizations understand their relationship with stakeholders and develop effective management strategies. Theoretical review of the stakeholder theory can help organizations understand key concepts and apply them correctly, thereby strengthening relationships with stakeholders and improving overall organizational performance (Carroll and Starcher, 2021).

Regulation Theory

Regulatory theory is a framework for analyzing the role of government in regulating economic activities (Mankiw, 2019). This theory emphasizes the importance of public policy to create a balanced and sustainable economic environment. Regulatory theory also highlights the role of government in regulating markets, increasing economic efficiency, and protecting consumer interests. Governments can use policy instruments such as regulations, taxes, and subsidies to achieve these goals in various economic sectors such as finance, energy, and the environment (Krugman & Wells, 2013).

Regulatory theory also emphasizes the importance of economic efficiency in regulating markets by reducing monopolies and oligopolies and encouraging healthy competition. In addition, this theory emphasizes the need for governments to protect consumer interests by ensuring that products and services offered on the market are safe, of high quality, and that consumers have access to sufficient information. Governments can use the latest regulatory theory as a guide to effectively regulate markets and achieve broader economic and social goals.

GRI

Global Reporting Initiative (GRI) is an international organization that encourages companies to carry out sustainability reporting in business and other organizations. Sustainability reporting is a form of reporting that communicates the

social, environmental and economic impacts of a company's business activities to stakeholders.. Sustainability reporting is carried out using standards and frameworks to guide company reporting, such as the GRI standards. According to GRI, the purpose of sustainability reporting is to provide transparency and accountability for the social, environmental and economic impacts of business activities. It also aims to help companies improve their performance in the field of sustainability and promote positive change in society (GRI, 2021).

Sustainable development is the primary goal of sustainability reporting, which involves meeting human needs today without compromising the ability of future generations to meet their own needs. This is described by the Brundtland Commission as "development that meets the needs of the present without compromising the ability of future generations to meet their own needs" (United Nations, 1987). Corporate social responsibility (CSR) is also a concept related to sustainability reporting. CSR involves the responsibility of companies to consider the social, environmental and economic impacts of their business activities and contribute to sustainable development and societal well-being (Carroll, 1979). CSR consists of four dimensions, namely economic responsibility, legal responsibility, ethical responsibility and philanthropic responsibility.

Sustainability Report

Sustainability report is a document created by a company or organization to provide information about the social, environmental and economic impacts of their business activities (GRI, 2016). To have a clear understanding for sustainability reports, literature review can provide an overview of this topic from an academic and practical perspective. One of the important references in the discussion Sustainability report is the Sustainability Reporting Standard Global Reporting Initiative (GRI) which is a sustainability reporting framework used by many companies to prepare their sustainability reports (GRI, 2016).

MSMEs

Micro, Small and Medium Enterprises (MSMEs) are an important economic sector for a country's economy, especially in terms of job creation and sustainable economic growth. A literature review of the discussion of MSMEs can provide an overview of this topic from an academic and practical perspective. An important reference in discussing MSMEs is data and statistics from government agencies, such as the Ministry of Cooperatives and SMEs and the Central Statistics Agency (BPS). Examples of references that can be cited are as follows: According to BPS (2021), in 2020, the number of MSMEs in Indonesia will reach around 64 million businesses, or around 99.9% of the total number of businesses in Indonesia.

According to the Ministry of Cooperatives and SMEs (2021), MSMEs are a pillar of the national economy which contributes to 61.1% of non-oil and gas gross domestic product (GDP) in 2020. Apart from that, references from academic journals that discuss the topic of MSMEs are also important to strengthen the discussion . According to Setiawan et al. (2020), product and technology innovation are key factors in improving the performance of MSMEs. According to Kusumawardhani et al. (2021), management quality and access to capital are important factors in the success of MSMEs. References can also come from books or government reports on MSMEs. According to Azis (2017), the government needs to provide support for the

development of MSMEs through various programs and policies that support business growth. According to the Ministry of Cooperatives and SMEs (2018), the People's Business Credit (KUR) program can be a solution for MSMEs who have difficulty obtaining business capital.

The types of MSMEs are then divided into two types, namely MSMEs that operate in environmentally sensitive sectors and MSMEs that operate in non-environmentally sensitive sectors. MSMEs operating in environmentally sensitive sectors include: processing industry; warehousing & transportation industry; construction industry; agriculture & fishing industry; mining & quarrying industry; water supply industry; real estate industry; electricity & gas industry; and the hotel industry (Nagu, 2021). MSMEs operating in non-environmentally sensitive sectors include: financial services and insurance industries; service industry, scientific & technical; information & communications industry; and large and economical trade industries (Nagu, 2021).

Definition of MSMEs Sustainability Report

Sustainability report is a delivery of structured and comprehensive information or can be interpreted as financial and non-financial information starting from company management information to company stakeholders (Kurniawan, 2018). Every organization must be responsible for reporting information within its company, including MSMEs, which is written in PJOK 51 of 2017 and SOJK regulation no. 16 of 2021 as a guidance for writing a sustainability report. Micro, Small and Medium Enterprises (MSMEs) have an important and strategic role in Indonesia's economic development. There are several aspects of disclosure that must be reported by MSMEs, namely aspects of company profile, aspects of corporate governance, aspects of environmental sustainability performance, and aspects of social performance (Indonesia Global Compact Network, 2021). Using the GRI model as a CSR report can provide various competitive advantages. There are three main areas that must be reported by the owner of the organization in making a CSR report, namely the economic impact, the environment impact, and the social impact of the organization. Sustainability reports have strategic relevance in the development and sustainability of MSMEs, especially in terms of the economic and social impacts of MSMEs (Cantele & Zardini, 2018). Both areas relate to stakeholders, including employees, consumers and suppliers. Building relationships with these suppliers will then influence the sustainability and success of MSMEs.

Apart from that, in compiling a Sustainability report, MSMEs can utilize sustainability reporting guidelines issued by various institutions such as GRI, SDGs, and the Indonesia Global Compact Network (IGCN). This guide can help MSMEs in preparing sustainability reports that comply with international standards and strengthen transparency in managing their business. In an era that increasingly prioritizes social and environmental responsibility, sustainability reports are increasingly important for companies and organizations, including MSMEs. By conveying structured and comprehensive information about the impact of their business on society and the environment, MSMEs can strengthen the company's positive image, increase stakeholder trust, and fulfill legal and social obligations. Therefore, MSMEs must pay attention to the importance of preparing sustainability

reports properly and correctly to achieve sustainable economic development in Indonesia.

Hypothesis

Stakeholder theory states that effective understanding and communication between the organization and its stakeholders will increase and improve overall organizational performance. One form of effective communication is to convey structured and comprehensive information, which will then provide MSMEs with great benefits in running their business. Effective communication is also found in regulatory theory, where the government places regulations to protect consumer interests by ensuring that products and services offered on the market are safe, of high quality, and consumers have access to sufficient information.

Previous research relevant to this study includes Disclosure of ethics and integrity in BUMN sustainability reporting (Ekasari et al., 2019) and Analysis of MSME Sustainability Reports in developing Sustainability Reporting Guidelines (Permatasari & Kosasih, 2022; Krawczyk, 2021). Both studies discuss the importance of disclosing information in sustainability reports for the stakeholders interest by using certain sustainability reporting guidelines.

There are various aspects that must be disclosed in a sustainability report, namely company profile aspects, corporate governance aspects, environmental sustainability performance aspects, and social performance aspects (Indonesia Global Compact Network, 2021). MSMEs are then divided into two, namely environmentally sensitive MSMEs and non-environmentally sensitive MSMEs. The two types of MSMEs will have different perceptions due to the different types of industry they are involved in, therefore the disclosure of information carried out by the two MSMEs will be different. Based on this description, the hypothesis formulated is as follows.

- H1:** There are differences between environmentally sensitive MSMEs and non-environmentally sensitive MSMEs regarding compliance aspects;
- H2:** There are differences between environmentally sensitive MSMEs and non-environmentally sensitive MSMEs regarding aspects of understanding sustainability;
- H3:** There are differences between environmentally sensitive MSMEs and non-environmentally sensitive MSMEs regarding aspects of sustainable corporate governance;
- H4:** There are differences between environmentally sensitive MSMEs and non-environmentally sensitive MSMEs regarding aspects of political, environmental and social sustainability performance;
- H5:** There are differences between environmentally sensitive MSMEs and non-environmentally sensitive MSMEs regarding aspects of MSME economic performance.

RESEARCH METHODS

Population and Sample Research Procedures

The population determined in this research is MSME business actors in Galesong sub-district, Takalar district, South Sulawesi. The sampling method used a saturated sampling method, based on data obtained, the number of samples found was 120 MSME actors. These MSMEs then consist of 54 Food and Beverage MSMEs;

14 Agriculture/Livestock MSMEs; 14 Fisheries MSMEs; 28 Trading MSMEs; and 10 service MSMEs. The MSMEs will then fill out a questionnaire distributed directly by the researcher.

Validity and Reliability

The research was conducted using a questionnaire, so the quality of the questionnaire and the respondent's ability to answer questions are very important to measure in this research. If the tool for measuring the variable being studied is not valid, then the research results will not be able to depict the actual situation. Therefore, validity and reliability tests are needed in this research.

Validity test

The validity test is a tool used to measure whether the question items asked are appropriate to the respondent's actual situation. The steps in the validity test are calculating the item score (X) where the sum of the item scores is the same as the variable score (Y).

Reliability Test

Reliability test is a level that shows how much a measurement tool can be trusted or not. This test is carried out after the validity test because each question must have validity.

Implementation of the Questionnaire

The questionnaire was created using Google Forms to make data processing easier. Researchers visited the respondent's location directly in Galesong subdistrict, Takalar district. The types of MSME actors are divided into 5 according to the type of industry, namely Food and Beverage MSMEs, Agriculture/Livestock MSMEs, Fisheries MSMEs, Trade MSMEs, and Service MSMEs.

Variable Measurement and Hypothesis Testing Techniques

The variables in this research were taken based on the variables used by the Indonesia Global Compact Network (2021). Variables tested include:

1. Aspects of MSME Compliance
2. Aspects of MSME Sustainability Knowledge
3. Aspects of Sustainable Corporate Governance
4. Aspects of Political, Environmental and Social Sustainability Performance
5. Aspects of Sustainable Economic Performance

RESULTS AND DISCUSSION

Research result

Based on the distribution of questionnaires, the following are the number of respondents and types of MSMEs that were collected:

Table 1. Details of Respondent Data

Types of MSME Industries	Man	Women	Number of Respondents	Frequency
Food and Beverage MSMEs	14	40	54	45%
Agriculture/Livestock MSMEs	13	1	14	12%
Fisheries MSMEs	14	0	14	12%
Trading MSMEs	7	21	28	23%

MSME Services	8	2	10	8%
Total	56	64	120	100%

Source: Primary Data

Based on the table data above, the number of respondents was 120 respondents, of which the number of male respondents was 56 respondents and the number of female respondents was 64 respondents. Based on the type of MSME industry, the number of respondents in Food and Beverage MSMEs was 14 male respondents and 40 female respondents with a total of 54 respondents or a frequency of 45%; the number of respondents in Agriculture/Livestock MSMEs was 13 male respondents and 1 female respondent with a total of 14 respondents or a frequency of 12%; the number of respondents in Fisheries MSMEs was 14 male respondents and 0 female respondents with a total of 14 respondents or a frequency of 12%; the number of respondents in Trade MSMEs was 7 male respondents and 21 female respondents with a total of 28 respondents or a frequency of 23%; and the number of respondents in Services MSMEs was 8 male respondents and 2 female respondents with a total of 10 respondents or a frequency of 8%.

Based on the data obtained, the following are descriptive statistics of the aspects of MSME compliance (X_1), aspects of MSMEs sustainability knowledge (X_2), aspects of sustainable corporate governance (X_3), aspects of political, environmental and social sustainability performance (X_4) and aspects of sustainable economic performance (X_5).

Table 2. Descriptive Statistical Test Results

Variable	N	Minimum	Maximum	Mean	Std. Deviation
Aspects of MSME Compliance	120	10	20	13	2,50
Aspects of MSME Sustainability Knowledge	120	12	25	17,75	2,80
Aspects of Sustainable Corporate Governance	120	10	24	16,23	2,68
Aspects of Political, Environmental and Social Sustainability Performance	120	6	15	7,45	1,50
Aspects of Sustainable Economic Performance	120	16	30	23,43	2,48

Source: Output SPSS 25, 2023

The research instrument test was then carried out on the research using a questionnaire. This test is carried out to ensure that each question asked for each variable can depict the actual situation. The following are the results of validity testing of the research instrument in the form of a questionnaire.

Table 3 Validity Test Results

Variable	Significance	Significant Level	Information
Aspects of MSME Compliance	0,000	0,05	Valid
Aspects of MSME Sustainability Knowledge	0,000	0,05	Valid

Aspects of Sustainable Corporate Governance	0,000	0,05	Valid
Aspects of Political, Environmental and Social Sustainability Performance	0,000	0,05	Valid
Aspects of Sustainable Economic Performance	0,000	0,05	Valid

Source: Output SPSS 25, 2023

Based on Table 3, it can be concluded that each question used as an indicator for each variable is declared valid and capable of depicting the actual situation. This can be seen in the test results which are below the significance level ($0.000 < 0.05$). A reliability test is then carried out to ensure that each question asked on the questionnaire can be trusted (*reliable*). Reliability testing can be seen using testing *Cronbach's Alpha*. The following are the results of reliability testing of the results of the research questionnaire.

Table 4 Reliability Test Results

Variable	Standard Coefficient Alpha	Cronbach's Alpha	Information
Aspects of MSME Compliancy	0,7	0,781	Reliable
Aspects of MSME Sustainability Knowledge	0,7	0,781	Reliable
Aspects of Sustainable Corporate Governance	0,7	0,781	Reliable
Aspects of Political, Environmental and Social Sustainability Performance	0,7	0,781	Reliable
Aspects of Sustainable Economic Performance	0,7	0,781	Reliable

Source: Output SPSS 25, 2023

Based on the results of Table 4, the value of Cronbach's Alpha for each variable is more than 0.70 ($0.781 > 0.700$). The test results indicate that each question asked on each variable can be trusted (*reliable*).

Hypothesis test

The research hypothesis will be tested using testing *U Mann-Whitney*. The results of collecting questionnaires on variables are as follows:

Table 5 Questionnaire Collection Results

Types of MSMEs	Category	Number of MSMEs	Number of Scores per Variable				
			X ₁	X ₂	X ₃	X ₄	X ₅
Food and Beverage MSMEs	Environmentally Sensitive	54	66	16	84	37	121
			8	4	1	7	5
Agriculture/Livestock MSMEs	Environmentally Sensitive	14	16	24	25	10	335
			4	8	4	5	
Fisheries MSMEs	Environmentally Sensitive	14	22	28	22	98	336
			4	0	4		

Trading MSMEs	Environmentally Sensitive	28	37	52	47	23	704
			6	1	8	5	
MSME Services	Non-Environmentally Sensitive	10	12	15	15	80	222
			8	7	1		

Source: Primary Data

Statistical Testing of Differences in Environmentally Sensitive vs. Non-Environmentally Sensitive MSME Sustainability Report Disclosures

Table 6 Mann-Whitney Ranks U Test Results

Variable	Types of MSMEs	N	Mean Rank	Sum of Ranks
MSME Compliance Aspects	Sensitive	110	60,75	6.682
	Non-Sensitive	10	57,80	578
Aspects of MSMEs Sustainability Knowledge	Sensitive	110	62,79	6.907
	Non-Sensitive	10	35,30	353
Aspects of Sustainable Corporate Governance	Sensitive	110	62,08	6.828
	Non-Sensitive	10	43,15	431,5
Aspects of Political, Environmental and Social Sustainability Performance	Sensitive	110	58,55	6.441
	Non-Sensitive	10	81,9	819
Aspects of Sustainable Economic Performance	Sensitive	110	62,49	6.874
	Non-Sensitive	10	38,6	386

Source: Output SPSS 25, 2023

In Table 6, it can be seen that there are differences in the average ranking of disclosures for each variable. The following are the results of the Mann-Whitney rank U test, namely:

1. The MSME compliance aspect variable has an average rating of 60.75 for environmentally sensitive MSMEs and 57.80 for non-environmentally sensitive MSMEs. The test results indicate that environmentally sensitive MSMEs tend to have a higher level of disclosure regarding MSME compliance aspects.
2. The MSMEs sustainability knowledge aspect variable has an average rating of 62.79 for environmentally sensitive MSMEs and 35.80 for non-environmentally sensitive MSMEs. The test results indicate that environmentally sensitive MSMEs tend to have a higher level of disclosure regarding aspects of understanding the sustainability of MSMEs
3. The sustainable corporate governance aspect variable has an average rating of 62.08 for environmentally sensitive MSMEs and 43.15 for non-environmentally sensitive MSMEs. The test results indicate that environmentally sensitive MSMEs tend to have a higher level of disclosure regarding aspects of sustainable corporate governance.
4. The political, environmental and social sustainability performance aspect variables have an average rating of 58.55 for environmentally sensitive MSMEs and 81.90 for non-environmentally sensitive MSMEs. The test results indicate that non-environmentally sensitive MSMEs tend to have a higher level of

disclosure regarding aspects of political, environmental and social sustainability performance.

- The sustainable economic performance aspect variable has an average rating of 62.49 for environmentally sensitive MSMEs and 38.60 for non-environmentally sensitive MSMEs. The test results indicate that environmentally sensitive MSMEs tend to have better disclosure regarding aspects of sustainable economic performance.

Table 7. Statistical Mann-Whitney U Test Results

Variable	Mann-Whitney U	Wilcoxon W	WITH	Significanc e
Aspects of MSME Compliance	523	578	-0,26	0,788
Aspects of MSME Sustainability Knowledge	298	353	-2,42	0,015
Aspects of Sustainable Corporate Governance	376,5	431,5	-1,68	0,09
Aspects of Political, Environmental and Social Sustainability Performance	336	6.441	-2,09	0,36
Aspects of Sustainable Economic Performance	331	386	-2,10	0,035

Grouping Variable: Environmentally Sensitive vs Non-Environmentally Sensitive MSMEs

Source: Output SPSS 25, 2023

In Table 7, it can be seen that there are test results in the form of Mann-Whitney (U), Wilcoxon (W), Z values and significance levels (*p-value*). In this test, a significance level with a significance level of 0.05 will be used. The following are the test results:

- Compliance aspect (X_1) has a value of 523, a W value of 578. If this value is converted to a Z value it will have a value of -0.26. The significance level is 0.788 ($0.788 > 0.05$). Based on the test results, there is no difference between environmentally sensitive and non-environmentally sensitive MSMEs.
- MSMEs sustainability knowledge aspect (X_2) has a U value of 298 and a W value of 353. If this value is converted to a Z value it will be -2.42. The significance level is 0.015 ($0.015 < 0.05$). Based on the test results, there is a difference between environmentally sensitive and non-environmentally sensitive MSMEs.
- Sustainable corporate governance aspect (X_3) has a U value of 376.5 and a W value of 431.5. If this value is converted to a Z value, it will be -1.68. The significance level is 0.092 ($0.092 > 0.05$). Based on the test results, there is no difference between environmentally sensitive and non-environmentally sensitive MSMEs.
- Political, environmental and social sustainability performance aspect (X_4) has a U value of 336 and a W value of 6,441. If this value is converted to a Z value, it will have a value of -2.09. The significance level is 0.036 ($0.036 > 0.05$). Based on the test results, there is a difference between environmentally sensitive and non-environmentally sensitive MSMEs.
- Sustainable economic performance aspect (X_5) has a U value of 331 and a W value of 386. If this value is converted to a Z value it will be -2.103. The significance level is 0.035 ($0.035 < 0.05$). Based on the test results, there are differences in the

disclosure of aspects of sustainable economic performance between environmentally sensitive and non-environmentally sensitive MSMEs.

For MSME compliance aspect (X_1) there was no significant difference between environmentally sensitive vs non-environmentally sensitive MSMEs. Based on regulatory theory, there is a public policy created by the government to regulate markets, increase economic efficiency, and protect consumer interests. Government regulations have no differentiation between environmentally sensitive MSMEs and non-environmentally sensitive MSMEs so there is no significant difference in the disclosure of MSME compliance aspects. Therefore, H1 is rejected.

In the MSME sustainability knowledge aspect (X_2) there is a significant difference between environmentally sensitive MSMEs vs non-environmentally sensitive MSMEs. This is because the two MSMEs are in different industries so the information disclosed will be different. Stakeholder theory upholds effective communication to improve the performance of MSMEs so that environmentally sensitive MSMEs will have different information disclosures because they have a variety of comprehensive information than non-sensitive MSMEs. Therefore, H2 is accepted.

In the sustainable corporate governance aspect (X_3) there was no significant difference between environmentally sensitive vs non-environmentally sensitive MSMEs. Based on regulatory theory, public policy regarding MSMEs does not differentiate between environmentally sensitive and non-environmentally sensitive MSMEs, so there are no significant differences regarding the disclosure policies that MSMEs must carry out. The two MSMEs also do not have significant differences due to the relatively small size of the companies so disclosing this aspect is still easy to do. Therefore, H3 is rejected.

In the political, environmental and social sustainability performance aspect (X_4) there is a significant difference between environmentally sensitive MSMEs vs non-environmentally sensitive MSMEs. This is because there are various different stakeholder interests between the two MSMEs. Environmentally sensitive MSMEs consist of processing industries; warehousing & transportation industry; construction industry; agriculture & fishing industry; mining & quarrying industry; water supply industry; real estate industry; electricity & gas industry; and the hotel industry (Nagu, 2021). MSMEs operating in non-environmentally sensitive sectors include: financial services and insurance industries; service industry, scientific & technical; information & communications industry; and a large and economical trade industry. These two types of MSMEs will have different impacts on political, environmental and social sustainability performance. Therefore, H3 is accepted.

In the sustainable economic performance aspect (X_5) there is a significant difference between environmentally sensitive MSMEs vs non-environmentally sensitive MSMEs. Based on the type of industry covered by the two MSMEs and stakeholder theory, sustainable economic performance will have a big impact on environmentally sensitive MSMEs because they have a big impact on the surrounding community, consumers and other stakeholders. Therefore, H5 is accepted.

CONCLUSION

Based on the *Mann-Whitney U* test, the result for each aspect, environmentally sensitive MSMEs tend to have a higher level of disclosure regarding aspects of MSME compliance, aspects of understanding MSME sustainability, aspects of corporate governance, and aspects of sustainable economic performance. Non-environmentally sensitive MSMEs tend to have higher levels of disclosure for aspects of political, environmental and social sustainability performance. The test results also state that there are significant differences in aspects of sustainable understanding, political, environmental and social performance aspects of sustainability, and economic performance aspects between environmentally sensitive MSMEs and non-environmentally sensitive MSMEs, however there are no significant differences in compliance and environmental aspects. sustainable corporate governance.

Perceptions of environmentally sensitive MSMEs and non-environmentally sensitive MSMEs, it can be concluded that environmentally sensitive MSMEs tend to have a higher level of awareness of the function of sustainability reporting than non-environmentally sensitive MSMEs. This is because non-environmentally sensitive MSMEs are a type of MSME that does not have a large impact on the environment when compared to environmentally sensitive MSMEs, so the sustainability reports made by non-environmentally sensitive MSMEs tend to be incomplete.

The limitations of this research can be seen in the smaller number of samples used for non-environmentally sensitive MSMEs compared to environmentally sensitive MSMEs. For future research, it is hoped that we can use the differentiation of MSMEs with a more balanced sampling number to obtain more comprehensive research results.

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