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KNOWLEDGE MANAGEMENT AND THE ROLE OF MANAGEMENT ACCOUNTANTS ON THE COMPANY'S SUSTAINABLE REPUTATION

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ABSTRACT

This research aims to analyze the influence of knowledge management and the role of management accountants on the company's sustainable reputatiob. The knowledge management variable is measured by 13 statement items divided into 3 dimensions (sharing, storing, learning), the role of management accountants with 11 statements divided into 2 dimensions (strategic, conventional), and the reputation of a sustainable company as many as 24 statement items divided into 3 dimensions (product & innovation, governance & workplace, leadership & performance). This research uses quantitative methods with the analysis unit is the manager at the lowest to highest level in Indonesia, especially in Indonesia. The sampling technique used is purposive sampling. The data was collected by distributing questionnaires, of which only 245 questionnaires could be processed. Data is processed using SEM analysis using AMOS version 22. The results showed that variable knowledge management has a positive influence on the company's reputation variables while the management accountant role variable has no influence on the company's reputation.

INTRODUCTION

This research raises issues related to the company's reputation. The company's reputation is built on the perception of current external and internal stakeholders that allow it to be positive or negative. In this sense, it can be distinguished from concepts such as identity and image of the organization, which are conceptualized from only one type of stakeholder (identity for internal stakeholders and image for external ones). A company's reputation can be learned as a function of image and identity. Identity is built within the company, based on organizational culture. The reputation of the company is built over time (historical component), which gives the concept of nature a relatively more stable and enduring nature than imagery. The two concepts are interrelated, where the company's reputation has been conceptualized as an accumulation of image over the years The reputation of the company can be influenced by changes occurring in its social environment, or by the strategies carried out by the organization or its competitors. Organizations that consider how to manage their own reputation in the best possible way. The organization must have the capacity to diagnose how stakeholders perceive it, then create an optimal strategy configuration in managing the company's reputation on an ongoing basis.

The increase in the reputation of the company is due to many factors, especially internal factors. The implementation of environmentally friendly policies, not violating legal norms and cultural norms that apply in which the company operates is a competitive advantage for the company to survive and be sustainable. Environmental and social issues cannot be ignored by the company, if it still wants to be sustainable. The reputation of the company leads to many strategic benefits. Reputation is a characteristic that signifies the behavior of the company that becomes a barrier to competitors and as a source of competitive advantage of the company (Deephouse,

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2000; Fombrun, 1996; Roberts & Dowling, 2000). The trend of managing a company's reputation has evolved, where stakeholder perception has become more important to the company (Fombrun, Ponzi, & Newburry, 2015). Managers take a more active, centralized, focused, and scientific approach to communicating with stakeholders. The reputation of the company allows the company to increase profitability, create competitive barriers and strengthen competitive advantage. The reputation of the organization is a reflection of how various stakeholders respond to it. An attitude towards a company's reputation can help an organization gain trust and credibility in society, and help achieve goals. Reputation can be thought of as a global perception or evaluation held by constituents regarding a company's performance and attributes. Reduced privacy and increased accountability have made more proactive strategies necessary for organizations to prevent damage to their image and reputation.

Knowledge management claims that knowledge is a competitive advantage that can last a long time (Nonaka, Byosiere, Borucki, & Konno, 1994). Thus, the ability of knowledge creation and utilization becomes very important in companies when seeking competitive advantage (Helm, 2011). Organizations face challenges when it comes to managing reputations that are influenced by a variety of outside sources, apart from within the company. Symmetrically undistributed information can influence and mobilize markets with their respective interpretations (Fombrun et al., 2015). Trust is a business choice strategy that has an impact not only on the company, but also for stakeholders. The decision was not made looking at only one aspect of finance, but also from the non-financial aspect. Several studies have included knowledge management as one of the competitive advantages for companies in improving the company's reputation Knowledge management becomes very important for the survival and sustainability of the company. Have the ability to manage internal knowledge and access external knowledge as one of the most strategic and challenging tasks (Chopra et al., 2021; Ginesti, Caldarelli, & Zampella, 2018; Meroño-Cerdan, Lopez-Nicolas, & Sabater-Sánchez, 2007; Widanaputra, Widhyadanta, & Ratnadi, 2018)

The role of professionalism internal accountants as one of the resources owned by the company is becoming increasingly important from non-financial factors. This point needs to be considered by managers to increase the value and transparency of the company (Sisaye & Birnberg, 2010). The role of accountants in the sustainability process lies beyond internal processes. Accountants accomplish this mission through responsibility in creating, improving and implementing sustainability infrastructure. Accountants also contribute to the configuration and implementation of arrangements required by changes in laws and regulations. Sustainability reporting can play an important role in managing stakeholder opinion by improving the organization's reputation (KPMG, 2014). The dynamics of economic growth are always in line with the development of the accounting profession. Accounting as a tool of accountability, develops in line with the complexity of problems in the company. Methods of approach and technology in the field of accounting are increasingly evolving which in turn appears and develops in the discipline of management accounting. In line with the development of the company's performance, the role of management accountants must develop. Today management accountants are not only as providers of accounting data, for decision making, but have become increasingly involved in the decision-making process. Company managers in an effort to control and direct the company's objectives in these increasingly complex business transactions, urgently require the role of a comprehensive management accountant (Cokins, 2014; Matambele & van der Poll, 2017; Mistry, Sharma, & Low, 2014; Nguyen, 2018).

Researchers and practitioners for years have been trying to gauge the company's reputation. The need for high comparative action has been made abundantly clear in conferences and journals for decades. However, there is still debate regarding the lack of consensus about the dimensions and construction structure of the company's sustainable reputation.

Based on the explanations that have been stated before, the problem of this research can be formulated:

1) Does Knowledge Management affect the Reputation of a Sustainable Company?
2) Does the Role of Management Accountant affect the Reputation of a Sustainable Company?

METHOD

This research is designed to test hypotheses (hypothesis testing) where in data analysis using structural equation modeling (SEM). A study hypothesis test has the goal of explaining the characteristics of a cause-and-effect influence or describing differences between groups or independence from two or more factors in a situation.

This research is a causality study to obtain empirical results of the influence of Knowledge Management and the Role of Management Accountants on the Reputation of Sustainable Companies Primary data obtained through a set of questionnaires distributed to managers at the lower to peak levels in Indonesia. The sampling technique used is purposive sampling, with a sampling period of March - June 2021. The analysis unit on this study is a lower to peak level manager.

Independent variables consist of Knowledge Management, and the role of management accountant. While the dependent variable of this study is the reputation of the company is sustainable. The explanations related to each of the constructs in this study and the scale of measurements used are described as follows.

A. Company's Sustainable Reputation

The Company's reputation is measured by 24 statement items, of which 22 statement items were used by (Fombrun et al., 2015). Fombrun characterizes into 7 dimensions, namely Product & Service (4 items), Innovation (3 items), Governance (2 items), Citizenship (2 items), Workplace (3 items), Leadership (4 items), and Performance (4 items). In this study using 3 dimensions, namely Product & Innovation (8 items), Governance & Workplace (6 items), and Leadership & Performance (10), by modifying 2 statement items is a novelty in this study. The measurement scale is an interval scale with a score of 1 – 6, where: score 1 = strongly disagrees; score 2 = disagree; score 3 = somewhat disagrees; secore 4 = somewhat agree; score 5 = agree; and score 6 = strongly agree.

B. Knowledge Management

Knowledge management manages the knowledge resources that the company has, which is related to decision making and corporate governance in terms of planning, risk management and budgeting. Knowledge management manages the creation of added value from knowledge and improved performance in problem solving.

In this study, knowledge management was measured by 13 statement items, used by (Meroño-Cerdan et al., 2007) as many as 12 items and divided into 3 dimensions, namely sharing (4 items), storing (2 items), and learning (5 items). While in this study the division remains 3 dimensions but there is a modification of 1 item of novelty statement. The measurement scale is an interval scale with a score of 1 – 6.

C. Role of Management Accountant

The position of management accountant is attached to the company's core activities whether there is little or no face-to-face interaction with clients. The role of management accountant is separated by physical boundaries in the operation of the organization. Management accountants have not been involved in the decision-making process in the past. Today, managers consider that the role of management accountant is an integral part of strategic decision making, including the reputation of the company.

In this study, the Role of Management Accountant was measured by 11 statement items, of which 9 items were used by (Mistry et al., 2014), and modified 2 new statement items. In this study, 11 items were divided into 2 dimensions, namely conventional and strategic. The measurement scale is an interval scale with a score of 1 – 6, where: score 1 = strongly disagrees; score 2 = disagree; score 3 = somewhat disagrees; secore 4 = somewhat agree; score 5 = agree; and score 6 = strongly agree.

The theoretical model in this study can be made with the following equations:

$$RP = \beta_0 + \beta_1 KM + + \beta_2 AM + + \varepsilon_0$$

KM = Knowledge Management
AM = The Role of Management Accountant
RP = Company's Sustainable Reputation
β_0 = Coefficient of constant model company's sustainable reputation
β_1 = Coefficient of influence of Knowledge Management on company's sustainable reputation
β_2 = Coefficient of influence of the role of management accountant on company's sustainable reputation
ε_0 = Error

RESULTS AND DISCUSSION

A. Results

1. Description of the Object

This research is causality research using quantitative methods in collecting data. The data was obtained through questionnaires collected from October 2021 to the third week of December 2021. During this period, 252 respondents were obtained, but because there were some respondents who did not fit the criteria, the data that could be processed was 245. The process of selecting respondent data is:

Table 1
Respondent Selection

No.	Criterion	Amount of data
1.	Total number of respondents	252
2.	Respondents who are not manager level	(6)
3.	Respondents with a working period of less than 5 years	(1)
4.	Total data	245

Source: data processed (2022)

A total of 6 respondents did not work at the manager level, namely working as a lecturer, and 1 person had a working period of less than 5 years, namely only working for 9 months. The respondents were expelled because they were worried about not understanding the conditions that occurred in the world of practice.

2. Demographics of Respondent

Demographics respondents explained the characteristics of respondents in this study, consisting of gender, age, company status, position, length of work, and length of work in the current position. For positions, the length of work and length of work in the current position, given an open statement, but grouped into certain intervals.

Table 2
Characteristics of Respondents

Characteristic	Frequency	Percentage
Gender		
1.Men	164	66,94%
2. Women	81	33,06%
Total	245	100%
Ages		
1. < 35 y.o	75	30,61%
2. 36 – 45 y.o	88	35,92%
3. 46 – 55 y.o	65	26,53%
4. 56 – 65 y.o	17	6,94%
5. > 65 y.o	0	0
Total	245	100%
Company		
1. Private	180	73,47%
2. BUMN	65	26,53%
Total	245	100%
Status		
1. Supervisor	41	16,73%
2. Middle Manager	136	55,51%
3. Board of Directors	68	27,76%
Total	245	100%
Long of Work		
1. 5 – 15 years	164	66,94%
2. 16 – 25 years	54	22,05%
3. 26 – 35 years	25	10,20%
4. > 35 years	2	8,10%
Total	245	100%
Long of Work in the current position		
1. 0 -10 years	214	87,35%
2. 11 – 20 years	31	12,65%
3. > 20 years	0	0%
Total		100%

Source: data processed (2022)

3. Analysis of Results

Data testing is first carried out factor analysis tests and data quality tests, if passed, only hypothesis tests are carried out. Absolute data quality tests are carried out to ensure that the instrument used in measuring variables is correct (valid) and measuring correctly (reliable), so, the steps taken are to perform validity tests and reliability tests. While the hypothesis test is carried out with SEM using AMOS software.

This Factor Analysis Test is used to see if the statement items are in accordance with existing categories/dimensions. The results of factor analysis using KMO and Bartlett tests show that the company's reputation is sustainable formed into 3 groups / dimensions, namely product dimensions & innovation (10 items), governance & workplace (6 items), and leadership & performance (8 items). Knowledge management variables are formed in 3 dimensions, namely the dimensions of sharing (4 items), storing (3 items) and learning (6 items). The management accountant role variable is formed in 2 dimensions, namely the strategic role (5 items) and the conventional role (6 items).

The validity test is performed to see if the statement items in the questionnaire are able to measure the variables you want to measure. The validity test is used Pearson Correlation, where validity is obtained from comparing the value of significance with a probability of 0.05. If the significance value of the < 0.05 and the value is positive, then the statement item is declared valid.

Table 3
Reliability Test

No.	Variable	Total items	Cronbach's Alpha	Decision
1.	**Company's Sustainable Reputation (RP)**			
	a. Product & innovation	10	0,912	Reliable
	b. Governance & workplace	6	0,921	Reliable
	c. Leadership & performance	8	0,907	Reliable
2.	**Knowledge Management (KM)**			
	a. Sharing	4	0,755	Reliable
	b. Storing	3	0,638	Reliable
	c. Learning	6	0,875	Reliable
4.	**Role of Management Accountant (AM)**			
	a. Strategic	5	0,937	Reliable
	b. Conventional	6	0,852	Reliable

Source: data processed (2022)

Hypothesis testing in this study uses path analysis. Path analysis tests regression equations involving exogenous and endogenous variables at once. The results of the hypothesis test using path analysis can be seen in the table below.

Table 4
Hypothesis Test

Variable	Prediction	Estimates	S.E	p-value (sign/2)	Decision
RP <--- KM	+	0,172	0,064	0,008	H1 failed to reject
RP <--- AM	+	0,041	0,040	0,287	H2 rejected
R square = 0,834					

Source: data processed (2022)

where: KM = knowledge management; AM = the role of management accountant; RP = company's sustainable reputation

Based on table 4.4, model regression of this research can be draw as:

RP = 0,172 KM + 0,041 AM

From the above output, it can be seen that the effective contribution of knowledge management variables and the role of management accountants to the company's reputation variables is 83.4% and the remaining 16.6% is influenced by the variation of changes in other variables that are not included in the regression model. Based on table 4.4 above, it can be seen that knowledge management (KM) variables have a positive effect on the reputation of sustainable companies (RP), but the role of management accountants (AM) has no effect on the reputation of sustainable companies.

B. Discussion

1. Knowledge Management to Company's Sustainable Reputation

Resource-Based View theory states that resources provide a competitive advantage to organizations that hold them. A sustainable competitive advantage can be gained by a company from control over its resources and capabilities, especially if it is valuable, rare, imperfect and difficult to replace. Companies in adopting sustainability principles require proactive management of financial, human, environmental and social capital and a shift from shareholders to stakeholder perspectives. The principle of sustainability must be related to the business context, that is, it must deal with the resulting problem (product-project/ service), how it is produced (process), by whom (person) and its implications for stakeholders. Knowledge management has a positive relationship with organizational effectiveness through inspections of the capabilities of the Knowledge management infrastructure has made a significant competitive advantage as the key to management in the future.

2. The Role of Management Accountant to Company's Sustainable Reputation

Resource-Based View theory is used to underlie the exploitation of external opportunities for the use of existing resources, rather than if it should try to acquire new skills for each different occasion. Resources play a major role in helping the company to achieve higher organizational performance/reputation. The position of management accountant is attached to the company's core activities whether there is little or no face-to-face interaction with clients. Today, managers consider that the role of management accountant is an integral part of strategic decision-making, including the reputation of the company (Milne, 1996). Accountants tend to understand that laws and regulations and the image of the organization are important factors for the organization to achieve a good corporate reputation. In addition to competitive strengths, organizational culture and customs have an impact on the role and position of management accountants.

CONCLUSION

From the results of this study show that knowledge management has a positive effect on the reputation of a sustainable company, and the role of management accountant has no effect on the reputation of the company. This research has several limitations, namely in the demographics of respondents are not asked whether the length of work in the current position due to mutations, promotions or moving jobs. Because there are inconsistencies with the length of time the respondents work.

Implications of research results can be grouped into two, namely theoretical (academic) implications and practical implications. The test results showed that knowledge management had a positive effect on the company's sustainable reputation. The application of soft skills is incorporated into all courses not only related to the ethics of the profession that will be pursued by students. The ability of students as future leaders must continue to be honed in order to become leaders who have charisma in society, so as to motivate the surrounding community to benefit not only humans but to all nature. Furthermore, this research adds reference to research related to management accounting. The increasing importance of the role of management accountants in the success of the company in the future, but currently the profession as a management accountant is still few compared to as an external auditor or tax expert.

Moreover, the practical implications including business world, the results of the test in this study show that the more advanced the technology, the easier it is for a person / organization to get or share existing knowledge. The utilization of technology, strategies and implementation of environmentally oriented policies is absolutely done to be able to survive and be sustainable. Hiring and placing employees who have the right soft skills must be done so as to make a useful leader for the organization in the future. While, for regulatory policies related to sustainability must be implemented as well as possible, so that the company does not only comply with policies that have been made by the competent authorities. Arrangements or laws related to the environment that exist today are still slashed, sharp down but blunted upwards.

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