

CHAPTER I

INTRODUCTION

1.1 Background of the Study

Accounting and finance are essential components that lay the groundwork for stability and growth in the global economy. These two fields are considered fundamental pillars of today's economic systems. Anderson-Gough *et al.* (2005) in Putra, Wati, and Husain (2024) stated that accountants are responsible for ensuring corporate financial statements comply with relevant laws and regulations. The data produced through accounting practices forms the backbone of financial decision-making for governments, investors, creditors, and company management alike. Without a transparent and reliable accounting system, the modern economy would struggle to function efficiently, as there would be a lack of clarity in assessing financial performance, measuring risks, and planning long-term economic strategies.

Finance complements accounting by transforming historical financial data into actionable insights to support strategic decision-making. While accounting focuses on accurately recording and reporting financial transactions, finance utilizes the information for activities such as budgeting, forecasting, capital allocation, and performance evaluation. This dynamic relationship ensures that companies not only maintain transparency and compliance through reliable accounting but also optimize resource utilization and forward-looking strategies through effective financial management (Blanchette, 2024).

The International Federation of Accountants (IFAC) (2019) is the global body for the accountancy profession, committed to promoting the public interest by enhancing the profession and supporting the development of robust global economies, with over 175 members and associates across more than 130 countries representing nearly 3 million accountants in various sectors. In this context, Michael Croker, as Australian Tax Leader from Chartered Accountants Australia and New Zealand (CA ANZ) asserts that if transparency is a key component of a successful tax system, tax professionals and experts need to provide even greater

clarity about how tax operates, both within countries and on a global scale (IFAC, 2019). The organization emphasizes that the accounting profession makes a significant contribution to building public trust and creating a healthy investment climate by continuously enhancing transparency and accountability.

Accounting has evolved far beyond its technical functions, becoming a crucial driver of sustainable economic development and a vital component of global business communication within an increasingly interconnected business world. The accounting profession plays a critical and impactful role in promoting sustainable economic growth across both the public and private sectors (IFAC, 2019). This suggests that the accountancy profession is not only a system for recording financial transactions but also serves as a means of cross-cultural and cross-linguistic communication in the global economy.

Mim (2023) stated that the rapid pace of globalization and digital transformation has made multilingual workplace communication more critical than ever, particularly in these industries where international standards dominate. As economic integration deepens, English has become the *de facto* language of professional communication, affecting numerous sectors, especially accounting and finance. Drubin and Kellogg (2012) stated that English, as the *de facto* universal language, has significantly influenced scientific communication while simultaneously presenting challenges for non-native English speakers. This presents a common challenge for multinational companies with internationally based systems as to how to bridge the gap between English financial terms and local employees with no background in English-language or international accounting standards. The increasing complexity of accounting and finance practices also demands that professionals in these fields possess an understanding of the various terms and concepts frequently used.

This issue becomes even more apparent in the workplace, where employees must quickly adapt to technological changes and evolving new policies in financial regulations. Indonesian local workers without an accounting or English-language background often struggle to comprehend financial reports, internal memos, and technical terms, which leads to inefficiencies such as

miscommunication and increases the risk of errors in decision-making processes. The vagueness of technical language or unfamiliar terms is one of the leading causes of communication errors in the workplace, which can lead to inefficiencies, cost errors, and miscommunication between departments within an organization (Accounting and Control, 2023). Therefore, employees need to have access to resources that help them accurately and efficiently understand key accounting and financial terms.

The issue highlights the need for supportive tools to overcome these challenges and to help Indonesian local workers without backgrounds in accounting or English language understand the vocabulary and terms used in the fields of accounting and finance better. This challenge becomes significant because a lack of understanding of English and technical accounting terms among local employees can lead to inefficiency, errors, and miscommunication in daily operations. In a study conducted by Guan, Shafron, Ye, and Zhuang (2025), it was shown that limited language comprehension in an accounting context, such as the use of International Financial Reporting Standards (IFRS), increases information costs and the risk of losing significant meaning in financial reporting. As global business integration increases and English becomes the dominant language in professional communication, the need for practical resources to bridge this knowledge gap becomes increasingly urgent. This issue is strengthened by the results of interviews conducted with companies, which reveal the frequent use of English-based technical terms in daily work activities and the lack of an internal glossary to help staff understand those terms. Therefore, one proposed solution to this issue is to develop a glossary book that focuses on accounting and finance terms. This glossary aims to serve as a comprehensive and accessible reference guide for employees, bridging the knowledge gap in workplace communication.

Research in the context of technical language and terminology learning shows that providing an explicit glossary in both L1 and L2 significantly improves comprehension of domain-specific terms. For example, Chen and Lin (2020) stated that students who were provided with a glossary of domain-specific terms had higher reading comprehension quality than the control group without a

glossary. However, to maintain the research focus and scope, the development of the glossary is limited to terms that are frequently used in accounting and finance within the company's internal operational environment. The glossary targets explicitly the terms that appear in internal documents at PT Long Rich Indonesia, as a shoe manufacturing company. The glossary book excludes terms that were overly academic or theoretical in English. Additionally, the product only covers term equivalents in two languages, English and Indonesian, following the working languages used within the company.

The primary users of the product are employees in the accounting and finance department of PT Long Rich Indonesia, particularly those without a background in English or international accounting standards. The product is also designed to support interns, administrative staff, and new employees in adapting to the company's financial systems and terminology. A glossary will not only be helpful for students, but also for employees in these sectors, as part of efforts to enhance the capacity and knowledge. Therefore, compiling a comprehensive glossary of terms will not only improve financial literacy but also support broader employee competency development.

The Research and Development (R&D) method with the ADDIE model is the appropriate approach for this study because it is able to guide the product development process systematically, structured, and based on user needs. The ADDIE model consists of five stages: Analysis, Design, Development, Implementation, and Evaluation, which allow researchers to gradually analyze real needs in the field, design targeted solutions, develop relevant products, and examine and evaluate it directly in the context of professional work. The flexibility of this model allows revisions and improvements to be made on an ongoing basis based on feedback from validators and users, so that the final product truly fits the conditions and needs of the company. In the context of this research, ADDIE is appropriate because the product developed, namely the glossary of accounting and finance terms, is an applicable work aid, so an approach is needed that not only focuses on making, but also on testing its effectiveness and usefulness in the workplace.

The research novelty lies in its approach that combines accounting and finance-specific technical vocabulary with bilingual translations in a practical, industry-oriented format. In contrast to accounting glossaries that have been academic or only aimed at students, this glossary was developed based on the analysis of company documents and the results of direct interviews with the head of the accounting department of the company. This glossary not only provides word equivalents, but is also accompanied by term categories, definitions, and example sentences of use in two languages. This approach enables a more accurate, accessible, and contextually relevant understanding of terms, making this product a pioneering initiative in developing terminological tools for non-academic professionals in Indonesia's shoe manufacturing industry. Based on that, the glossary book is expected to serve as a practical supporting tool companion for everyday work, helping to minimize communication errors that may arise from the complexity of various terms.

1.2 Statements of the Problem

Based on the background previously described, the following statements of the problem are taken in this study.

1. What is the process undertaken to develop an accounting and finance glossary based on professional usage in the corporate environment?
2. How is the stakeholders' feedback on the glossary book for the accounting and finance department at PT Long Rich Indonesia?

1.3 Objectives of the Study

Based on the problem statements outlined previously, the aims of this study are as follows.

1. To develop a comprehensive glossary of accounting and finance terms based on professional usage in the corporate environment.
2. To gather stakeholders' feedback on the creation of a glossary book for the accounting and finance department at PT Long Rich Indonesia.

1.4 Significance of the Study

This research is expected to provide several advantages, both theoretically and practically. Each advantage is explained as follows:

1) Theoretical Contribution

This research is expected to provide theoretical benefits, such as increasing literature and knowledge of the English language, as well as understanding the application of bilingual glossaries in the context of business and finance. This book is expected to contribute as a supporting medium for related fields and can be used as a reference for future writers on the development of bilingual glossaries of accounting and finance.

2) Practical Contribution

- a. To provide a supporting medium for the accounting and finance field in a shoe manufacturing company.
- b. To provide resources on how to develop a specialized glossary of accounting and finance in a shoe manufacturing company.

1.5 Output of the Study

This research produced an output in the form of a bilingual glossary book that focuses on the fields of accounting and finance, with a specific context in a shoe manufacturing company. The title of this product is "*Glosarium Istilah Akuntansi & Keuangan Untuk Perusahaan Manufaktur Sepatu*". A glossary is a list of specialized terms accompanied by definitions and is generally organized alphabetically. Based on the research objectives described earlier, this glossary book was compiled in two languages, Indonesian and English. Unlike dictionaries in general, this glossary not only contains word equivalents but also provides definitions to explain the meaning of each term clearly. In addition, example sentences of usage are also included to provide concrete references for readers in understanding and applying the terms in the appropriate context.

The book consists of three sections: the opening section, the main section, and the closing section. The opening section includes a preface, introduction, guidelines, and a table of contents. The main section contains terms, definitions,

categories, and examples of how the terms are used in sentences. This glossary book is expected to contain approximately 50 to 80 pages, with a range of 90 to 130 terms included. Lastly, the closing section comprises a figure of the company's documents used, the author's profile, and references. The design of the book aligns with its theme, which is the world of finance, so that its appearance is intended to represent or symbolize the characteristics of the field. At the end, this glossary book is packaged in A5 size so that it is practical, accessible, and readable.