

Implementation of 'Gusjigang' Values in Accounting Practices: A Case Study on MSMEs Jenang Kudus Mubarok

Sofy Wulandari^{1*}, Adam Fernanda², Eva Kalista Putri³, and Zuliyati⁴

¹ Faculty of Economics and Business, Muria Kudus University

² Faculty of Economics and Business, Muria Kudus University

³ Faculty of Economics and Business, Muria Kudus University

⁴ Faculty of Economics and Business, Muria Kudus University

*Corresponding Author – Email Address : 202312044@std.umk.ac.id

ABSTRACT

This study aims to explore the application of local Gusjigang values in accounting practices at MSMEs Jenang Kudus Mubarok. The background of this study is based on the low implementation of ethical accounting systems in MSMEs and the lack of accounting studies based on local culture. Using a qualitative approach and case study method, data were collected through in-depth interviews and analyzed thematically. The results of the study show that the values of *bagus*, *ngaji*, and *dagang* are integrated in financial recording and reporting, forming an ethical and contextual accounting system. In conclusion, Gusjigang values contribute to building accounting practices that are not only technical but also morally and culturally meaningful.

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1. Introduction

Micro, Small, and Medium Enterprises (MSMEs) are a vital part of the Indonesian economy (Widiatami *et al.*, 2023). Their important role in creating employment opportunities, driving local economic development, and strengthening the country's economic resilience makes MSMEs a significant topic for in-depth research. However, along with the demands of development in the digital era and globalization, MSMEs find various challenges in managing their businesses professionally, especially in terms of financial management (Risnawati *et al.*, 2024).

One of the main issues faced by MSMEs is the suboptimal implementation of accounting practices. Many MSMEs actors do not have sufficient understanding of accounting principles, limited human resources, and the absence of a standard financial recording system (Krisnayanti & Masdiantini, 2025). In fact, good accounting practices are very important to support the process of recording transactions, preparing financial reports, and making accurate and sustainable business decisions (Mulyani, 2022). Low accounting knowledge can result in errors in financial management and risk business failure (Hasbolah, 2021).

On the other hand, both business and accounting practices are not only influenced by technical aspects, but also by cultural and spiritual values that grow in society. In the context of the Kudus community, Central Java, the values of Gusjigang which consist of *Bagus* (good morals), *Ngaji* (knowledgeable/religious), and *Dagang* (entrepreneurial) have become a philosophy of life and ethical

guidelines in business (Addiansyah, 2022). This value was popularized by Sunan Kudus and inherited as a moral and social framework that shapes entrepreneurial attitudes in Kudus. In MSMEs practices, Gusjigang values not only influence the way of selling, but also have the potential to influence the financial management system and accounting practices of business actors (Nurkamid & Budiman, 2021).

However, until now there has been little research exploring how local values such as Gusjigang are applied in MSMEs accounting practices in practice. The main problem is that there is no framework that links local culture with modern accounting practices. This raises an important question: How are Gusjigang values adopted and practiced in MSMEs accounting, especially in terms of recording, reporting, and financial decisions?

This question is very important because accounting analysis is not only a technical tool, but also a social value system. By integrating local values, accounting can become more relevant and contextual for business actors at the grassroots level.

The complexity of this issue lies in the tension between the formal accounting system which is technocratic and local values which are informal, spiritual, and cultural. The dilemma experienced by MSMEs such as Mubarokfood Cipta Delicia legendary jenang maker from Kudus lies in how to organize a modern bookkeeping system that is in accordance with market demands and existing regulations, while still respecting the Gusjigang values which are their identity and the basis of their business ethics. With the background and identification of the problems above, the purpose of this study is to explore in depth how Gusjigang values are applied in accounting practices at MSMEs Mubarok, and how these values influence the recording system, reporting, and financial decisions of the business. This study is expected to provide a conceptual contribution to the development of an accounting framework based on local cultural values and offer practical implications for the development of MSMEs that are more contextual and in accordance with local wisdom.

2. Literature Review

Gusjigang

The concept of Gusjigang is a philosophy of life inherited from Sunan Kudus and has become the cultural identity of the Kudus community. This term is an acronym of three words, namely Gus (good morals), Ji (diligent in reciting the Koran), and Gang (skilled in trading) (Budiman *et al.*, 2023). These three elements reflect the integration of morality, spirituality, and work ethic in the lives of the Kudus community.

The Gus value emphasizes the importance of noble morals, such as honesty, tolerance, discipline, and responsibility (Pujiyanto *et al.*, 2019). The Ji value reflects the spirit of seeking knowledge, especially in the religious field which includes religiosity, curiosity, and a love of reading (Luthfi & Fahrurrozi, 2020). Meanwhile, the Gang value describes an entrepreneurial spirit that prioritizes independence, hard work, and creativity in trading (Mustaqim & Bahrudin, 2015). The Gusjigang philosophy is not only a guideline in personal life, but is also implemented in various aspects of the social and economic life of the Kudus community.

In the economic context, Gusjigang values encourage people to become honest, responsible, and innovative entrepreneurs (Mustaqim, 2022). This is reflected in the business practices of MSMEs in Kudus which prioritize ethical principles and local wisdom in running their businesses.

Thus, Gusjigang is not just a cultural symbol, but a comprehensive and relevant value system to be applied in various areas of life, including in MSMEs accounting practices (Muzakki, 2022). Integration

of Gusjigang values in accounting can strengthen business ethics, increase accountability, and transparency in MSMEs financial management.

Definition of MSMEs

MSMEs (Micro, Small, and Medium Enterprises) are an important part of the economy that contribute significantly to the Indonesian economy. In accordance with Law Number 20 of 2008, the definition of MSMEs is based on the value of assets and annual income. Micro businesses are limited to a maximum net worth of IDR 50 million and income of no more than IDR 300 million per year; small businesses have assets of up to IDR 500 million and a maximum income of IDR 2.5 billion; while medium businesses have assets of up to IDR 10 billion and a maximum income of IDR 50 billion. MSMEs contribute more than 60% to the national Gross Domestic Product (GDP) and absorb more than 90% of the workforce in Indonesia. Despite their large role in the economy, MSMEs still face a number of structural challenges such as limited access to capital, low managerial skills, and lack of good financial management (Alhawariy (2018). Therefore, improving managerial skills, especially in accounting, is very important so that MSMEs can develop and compete sustainably. In this case, the use of local cultural values, such as Gusjigang, could be a relevant approach to improving business management and financial management of MSMEs.

Accounting Practices in MSMEs

Accounting is a very important information system for business organizations, including in the MSME sector. By recording, grouping, and reporting financial transactions, accounting offers a basis for logical and measurable decision making (Kusnaedi & Tahang, 2023). However, in practice, many MSMEs in Indonesia have not implemented a formal accounting system. Most MSMEs only record manually and irregularly, and many do not have financial records at all. This condition is often caused by a low understanding of accounting, limited access to technology, and the view that accounting is complicated and not so important for small businesses. However, without good accounting, MSMEs will have difficulty in assessing business performance, obtaining financing, and meeting tax obligations (Astuti *et al.*, 2024). The Indonesian government has issued Financial Accounting Standards for Micro, Small, and Medium Entities (SAK EMKM) to encourage MSMEs to adopt simpler and more relevant accounting practices. However, the implementation of SAK EMKM is still limited in the field. Therefore, an approach is needed that integrates local values such as Gusjigang into accounting practices in order to increase the relevance and acceptance of MSMEs towards a good financial recording system.

Local Wisdom

Local wisdom is a collection of values, norms, and knowledge that emerge in a society through long-term interactions with their social and cultural environment. In the world of accounting, local wisdom serves as a moral basis that can strengthen ethics in presenting financial reports. Principles such as honesty, social responsibility, and spirituality are very important to adopt in the process of recording and reporting finances, especially among MSMEs that are rooted in the community.

Kamla *et al* (2006) emphasize that "accounting should not be understood only as a technical system, but also as a social activity influenced by the cultural and religious values of the community". In Indonesia, local values such as Gusjigang are an example of how culture can be incorporated into economic practices and financial reports that have special meaning in the local context. This approach makes accounting more ethical, relevant, and appropriate to the context of society.

Review of Previous Research Results

Previous studies have shown that the use of Financial Accounting Standards for Micro, Small, and Medium Entities (SAK EMKM) substantially improves the quality of financial reports and transparency in MSME businesses. For example, Adila *et al* (2021) in an analysis of the MSMEs “MAWAR”, found that training and guidance in implementing SAK EMKM can improve the structure of financial reports, including balance sheets, income statements, and financial statement notes. Other research by Ayuningtyas *et al* (2024) shows that a lack of understanding of accounting and internal control systems is a major challenge in quality financial recording. In addition, research by Pakaya *et al* (2025) also found that the implementation of SAK EMKM has a positive impact on accountability and increasing the reliability of financial reports from MSMEs. However, studies that incorporate local cultural values such as Gusjigang into accounting practices are still very few. Mustaqim (2022) underlines the influence of Gusjigang moral and spiritual values such as honesty and focus on blessings on the behavior of MSMEs actors in Kudus, but does not discuss their application in the process of recording or disclosing finances. Therefore, this study aims to investigate how Gusjigang cultural values can be practically integrated into the daily accounting activities of MSMEs, which include the preparation of journals, balance sheets, profit and loss statements, and decision making based on local values.

3. Method, Data, and Analysis

This research will be conducted at the Jenang Kudus Mubarak Museum located at Jl. Sunan Muria No.33, Glantengan, Kec. Kota Kudus, Kudus Regency. In this research, the researcher used a survey design. This study aims to collect data from a sample through oral or written questions (interviews).

Data collection techniques were carried out through in-depth interviews with the owners and financial staff of Jenang Kudus Mubarak MSMEs, aiming to explore their subjective experiences regarding the application of Gusjigang values. In addition, direct observation of the financial recording process was carried out to obtain a contextual understanding, as well as documentation of archives and financial reports as administrative evidence of accounting practices implemented.

The data analysis technique applied in this research is thematic analysis with a qualitative approach. The analysis process was carried out through coding data obtained from interviews, observations, and documentation. Furthermore, the data is grouped into themes relevant to Gusjigang values which are then interpreted in the context of accounting practices of micro, small and medium enterprises (MSMEs). The validity of the results of this analysis is strengthened through source triangulation.

4. Result and Discussion

The philosophy taught by Sunan Kudus is Gusjigang. The philosophy taught such as *Bagus*, *Ngaji* and *Dagang* become the basic values and moral foundations of Mubarak in carrying out business practices that are not only oriented towards profit, but honesty and responsibility are the main foundations.

The Good Principle applied to Mubarak is good morals that are reflected in the work culture and interactions between internal companies, Mubarak also builds relationships between employee families such as *srawung*. In the production process of Jenang Kudus Mubarak ensures that the production process from start to finish of the product is truly in accordance with the standards that have been set. In the context of accounting practices, *bagus* is reflected through ethics in financial recording, honesty in reporting, and integrity in making business decisions. Jenang Kudus Mubarak

maintains the integrity of its financial reports by not manipulating sales transactions, even though they face market fluctuations. They also record expenses for social activities (such as alms or Ramadan donations) as part of financial transparency based on Islamic ethics.

The Ngaji principle contains the meaning that a business actor must always learn, especially religious knowledge so that his business has the value of worship and does not violate sharia principles. The financial management of the Jenang Kudus Mubarak MSMEs is based on sharia principles, for example not selling goods fraudulently (reducing the measurements), and providing time to study religious knowledge as part of forming personal accountability.

The principle of Ngaji is applied by Jenang Kudus Mubarak, such as every morning when starting Jenang production by reading Asmaul Husna together so that the resulting product provides blessings. Then there are Yasin and Tahlil activities every Friday, completing the Al-Qur'an every month, and performing Dzuhur and Ashar congregational prayers if there is free time.

Trade values encourage MSMEs actors to become persistent, tough, and honest traders. At Jenang Kudus Mubarak, the principle of Dagang is where the distribution process is carried out in two ways, namely directly to consumers and indirectly (through intermediaries). Indirectly, Mubarak remains committed to quality and customer satisfaction by providing open and honest information regarding raw materials and product composition.

In the context of accounting, this means implementing orderly, measurable, and responsible business practices. Jenang Kudus Mubarak implements simple yet structured recording using the basic principles of daily cash reports, raw material stock reports, and monthly sales reports. This helps them calculate the cost of goods manufactured (HPP) accurately and in preparing production plans according to the demand season (such as approaching Eid al-Fitr).

In accounting recording, Mubarak applies traditional or conventional accounting principles that are adjusted to sharia values. For example, borrowing money from a bank has interest that must be paid every month, the values of honesty and transparency are maintained in recording transactions. The recording process refers to the principle of comprehensive measurement, where each transaction is recorded in real terms. The principle of business continuity, which is reflected in the fulfillment of employee rights, for example by providing honorariums to employees to attend the Dandangan event. The principle of consistency, where the preparation of financial reports is carried out continuously and stably from one period to another.

Transparency and integrity are fundamental values in the process of recording financial reports. Internal control is carried out from the beginning to the end of the process, resulting in a report that can be trusted as a basis for decision making and increasing leadership confidence in business management.

Facing an increasingly competitive era, Mubarak realizes the need to maintain a reputation without being lulled. Brand popularity is a test to remain humble, build a strong and cohesive internal organization, and maintain spiritual and financial balance. Thus, the company can make a structured plan based on in-depth research, prepare for physical and mental savings, and prepare for various possibilities to face uncertainty in the future.

5. Conclusion and Suggestion

This study concludes that the integration of *Gusjigang* values *Gus* (morality), *Ji* (religiosity), and *Gang* (entrepreneurship) into the accounting practices of MSMEs Jenang Kudus Mubarak creates a financial management model that is both ethical and culturally rooted. These values shape not only technical processes such as transaction recording and financial reporting but also promote integrity,

accountability, and sustainability in business operations. The findings offer empirical evidence that local wisdom can reinforce transparency and ethical behavior in MSMEs financial practices, contributing to long-term economic resilience.

However, this study is limited by its single-case focus, which may restrict the generalizability of results. Although data validity was strengthened through triangulation, the qualitative nature of the study may still involve interpretive bias. These limitations stem not from methodological errors but from the depth-oriented design selected. Future research can extend these findings by applying similar frameworks to other MSMEs or integrating quantitative analysis to measure the broader impact of cultural values on accounting performance.

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