

## THE INFLUENCE OF GREEN ACCOUNTING VARIABLES ON ENVIRONMENTAL PERFORMANCE

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### *Abstract*

*This study used five hundred respondents, namely five hundred employees of PT Perkebunan Nusantara I, II III, IV and VII spread throughout Indonesia with the category of working for more than one year as many as three hundred and fifty employees, working for more than three years as many as one hundred employees, and working for more than five years as many as fifty employees. The data distributed was collected first and analyzed using the smart PLS 4.0 analysis tool. Based on this, it can be concluded that this research is a quantitative research category with an expansive approach that relies on previous research, especially the three mentioned above to prove the hypothesis in this study. The result in this article show the Green Accounting variable can have a positive relationship direction and a significant influence on Environmental Performance. This can be caused by the P-Values which are positive and below the significance level of 0.05, namely 0.002. The results of the third table mean that Environmental Accounting can make the company's finances stable, the mental and physical health of employees increases, and ultimately can improve the Company's Environmental Performance. It's just that the results in this study show that the Green Accounting variable on Environmental Performance is more significant than previous studies.*

**Keywords :** *Green Accounting, Environmental Performance, Influence*

### 1. INTRODUCTION

Green accounting is one of the contemporary concepts in accounting that supports environmental accounting in companies by recognizing, quantifying, measuring and closing environmental contributions to business processes (Windarto, 2021). When applied in the long term, the concept of green accounting is actually a program for saving production costs so that it can reduce the company's operational burden. In an era where society has become very aware of the importance of environmental conservation, the application of green accounting by industry can be a special attraction for consumers.

According to Prof. Dr. Andreas (2018), environmental accounting (green accounting) is a process of recognizing, measuring value, recording, summarizing, reporting, and disclosing in an integrated manner towards financial, social, and environmental objects, transactions, or events in the accounting process in order to produce complete, integrated, and relevant financial, social, and environmental accounting information that is useful for users in making economic and non-economic decisions and management (Wardianda & Slamet Wiyono, 2023).

From the above understanding of Green Accounting, it can be concluded that Green Accounting is an accounting that identifies, measures, presents, and discloses the costs and

indirect benefits of company activities related to the environment and society. Green accounting is applied by various companies to produce quantitative assessments of the costs and impacts of environmental protection (Sari, 2021). The application and development of green accounting have several very significant aims and objectives for the environment, namely (Wardianda & Slamet Wiyono, 2023): 1. Encourage entity accountability and increase environmental transparency. 2. Assist entities in determining strategies to respond to environmental issues in the context of the entity's relationship with the community and especially with activist or pressure groups related to environmental issues. 3. Provide a more positive image so that entities can obtain funds from groups and individuals, along with the increasing ethical demands of investors. 4. Encourage consumers to buy green products and thus make entities have a more competitive marketing advantage compared to entities that do not make disclosures. 5. Demonstrate the entity's commitment to environmental improvement efforts. 6. Prevent negative public opinion considering that companies that operate in areas that are at risk of being environmentally unfriendly will generally receive challenges from the community.

In addition to the above, the measurement of green accounting can be seen from the company's environmental performance. According to Suratno, et al in (Erlangga, 2021) environmental performance is the company's performance in creating a good environment (green). The company's environmental performance is measured from the achievements of companies that participate in the PROPER program which is one of the efforts made by the Ministry of Environment (KLH) to encourage corporate governance in environmental management through information instruments. The PROPER award is based on an assessment of the performance of the person in charge of the business in : a) Prevention of environmental pollution and/or damage b) Handling environmental pollution and/or damage c) Restoration of environmental pollution and/or damage.

Ahmad et al stated in (Rohmah et al., 2021) that green accounting is a process of disclosing information related to environmental performance that shows the accountability of a company's business activities. In this study, the environmental costs reported by the company will be used as an indicator of the implementation of green accounting. Environmental costs are costs incurred by the company for environmental protection purposes.

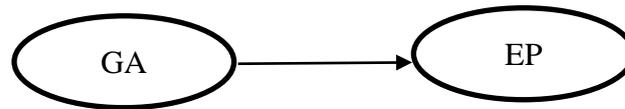
Based on the explanation above, the researcher believes that Green Accounting can have a positive relationship direction and significant influence on Environmental Performance. Environmental performance is an effort made by a company in order to maintain environmental sustainability, as well as to overcome problems arising from its operational activities. A company can be said to have good environmental performance if the environmental problems arising from the company's activities are low and vice versa (P Hanifa Zulhaimi, 2015).

How good or bad the company's environmental performance in managing the environment will be assessed by the Indonesian government through PROPER (Himashu S. R, 2010). PROPER is a policy formed by the government as one of its efforts to improve the management of the company's environment that is related to other existing government instruments, so that the government's efforts to improve environmental quality can be carried out smoothly and better. The Ministry of Environment and Forestry (2019) revealed several objectives of PROPER, namely: a. Increasing company compliance in managing the environment b. Increasing stakeholder commitment regarding efforts to preserve the environment c. Increasing sustainable environmental management d. Increasing company awareness to comply with environmental regulations e. Increasing the application of the 4R principle.

There are a number of previous studies (Sparta & Reska, 2022); (Handoko & Santoso, 2023) & (LUTFI, 2023) showing a positive relationship direction and significant influence on

Environmental Performance. Unlike the three studies, this article has more and more varied respondents with the aim of showing maximum results.

## 2. RESEARCH METHODS



**Figure 1**  
Model

### **Noted:**

GA: Green Accounting

EP: Environmental Performance

Based on the first table above, it shows that this article aims to analyze the influence of Green Accounting variables on Environmental Performance. The objectives that the researcher intended above are in line with the three previous studies, namely (Sparta & Reska, 2022); (Handoko & Santoso, 2023) & (LUTFI, 2023). The difference can be seen from the number of respondents and the variation of respondents (Jonathan Sarwono, 2016). This study used five hundred respondents, namely five hundred employees of PT Perkebunan Nusantara I, II III, IV and VII spread throughout Indonesia with the category of working for more than one year as many as three hundred and fifty employees, working for more than three years as many as one hundred employees, and working for more than five years as many as fifty employees (Sugiyono, 2019). The data distributed was collected first and analyzed using the smart PLS 4.0 analysis tool (Abdurahman, 2016). Based on this, it can be concluded that this research is a quantitative research category with an expansive approach that relies on previous research, especially the three mentioned above to prove the hypothesis in this study (Rukin, 2019). Following are the results of the hypothesis in this article.

## 3. RESULT AND DISCUSSION

### **Background Analysis**

Green accounting is one of the contemporary concepts in accounting that supports environmental accounting in companies by recognizing, quantifying, measuring and closing environmental contributions to business processes (Windarto, 2021). When applied in the long term, the concept of green accounting is actually a program for saving production costs so that it can reduce the company's operational burden. In an era where society has become very aware of the importance of environmental conservation, the application of green accounting by industry can be a special attraction for consumers.

According to Prof. Dr. Andreas (2018), environmental accounting (green accounting) is a process of recognizing, measuring value, recording, summarizing, reporting, and disclosing in an integrated manner towards financial, social, and environmental objects, transactions, or events in the accounting process in order to produce complete, integrated, and relevant financial, social, and environmental accounting information that is useful for users in making economic and non-economic decisions and management (Wardianda & Slamet Wiyono, 2023).

From the above understanding of Green Accounting, it can be concluded that Green Accounting is an accounting that identifies, measures, presents, and discloses the costs and indirect benefits of company activities related to the environment and society. Green accounting is applied by various companies to produce quantitative assessments of the costs

and impacts of environmental protection (Sari, 2021). The application and development of green accounting have several very significant aims and objectives for the environment, namely (Wardianda & Slamet Wiyono, 2023): 1. Encourage entity accountability and increase environmental transparency. 2. Assist entities in determining strategies to respond to environmental issues in the context of the entity's relationship with the community and especially with activist or pressure groups related to environmental issues. 3. Provide a more positive image so that entities can obtain funds from groups and individuals, along with the increasing ethical demands of investors. 4. Encourage consumers to buy green products and thus make entities have a more competitive marketing advantage compared to entities that do not make disclosures. 5. Demonstrate the entity's commitment to environmental improvement efforts. 6. Prevent negative public opinion considering that companies that operate in areas that are at risk of being environmentally unfriendly will generally receive challenges from the community.

In addition to the above, the measurement of green accounting can be seen from the company's environmental performance. According to Suratno, et al in (Erlangga, 2021) environmental performance is the company's performance in creating a good environment (green). The company's environmental performance is measured from the achievements of companies that participate in the PROPER program which is one of the efforts made by the Ministry of Environment (KLH) to encourage corporate governance in environmental management through information instruments. The PROPER award is based on an assessment of the performance of the person in charge of the business in : a) Prevention of environmental pollution and/or damage b) Handling environmental pollution and/or damage c) Restoration of environmental pollution and/or damage.

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**Validity Test**

The results of the comprehensive explanation in the introduction above show the main objective of this study is to test the effect of Green Accounting variables on Environmental Performance. The test was carried out using the smart PLS 4.0 analysis tool. In achieving the results of the testing stages, the first stage that must be passed is the validity test stage. Based on this, the following are the results of the validity test in this article (Sarstedt et al., 2014).

**Table 1**  
Validity Test

Variable	Question Item	Loading Factor
Green Accounting (X)	Green accounting can improve the company's financial stability	0.905
	Green accounting can reduce the company's expenditure in the field of environmental conservation	0.914
	Green accounting can reduce the cost of corporate social responsibility	0.911
	Green accounting can improve employee health	0.908
	Green accounting can improve employee mental health	0.909
Environmental Performance (Y)	Environmental performance can be influenced by green accounting	0.915
	Environmental performance can be influenced by employee mental health	0.911
	Environmental performance can be influenced by the company's financial stability	0.925
	Environmental performance can be influenced by the size of the company's expenditure	0.934
	Environmental performance can be influenced by the mental health and physical health of employees	0.942

Validity Test > 0.70

**Reliability Test**

The results of the first table questionnaire above show that the answers by the correspondents in the first table have been and are stated as valid. More than ninety percent of the correspondents said that Green Accounting can improve the company's financial stability, employee mental health, and ultimately can improve Environmental Performance. The next stage is the reliability test stage which functions to ensure that the Green Accounting and Environmental Performance variables are reliable or not (Hair, 2010).

**Table 2**  
Reliability Test

Variable	Composite Reliability	Cronbach Alfa
Green Accounting	0.982	0.942
Environmental Performance	0.995	0.955

Reliable > 0.70

### Path Coefisien

The variables used in this study have passed the Composite Reliability and Cronbach Alfa test stages. Each of these stages serves to ensure whether the two variables are reliable or not. After passing the reliability test stage, the last stage that must be passed is the Path Coefficient stage. This last stage serves to ensure whether the hypothesis used in this article is acceptable or not (Ghozali, 2016).

**Table 3**  
Path Coefisien

Direct Influence	Variable	P-Values	Noted
	GA->EP	0.002	Accepted

Significant Level < 0.05

The last stage in this study has been passed and the results of each hypothesis used in this study can be seen. Based on the results of the researcher's observations comprehensively, it shows that the Green Accounting variable can have a positive relationship direction and a significant influence on Environmental Performance. This can be caused by the P-Values which are positive and below the significance level of 0.05, namely 0.002. The results of the third table mean that Environmental Accounting can make the company's finances stable, the mental and physical health of employees increases, and ultimately can improve the Company's Environmental Performance. The results presented by the researcher are in line with the three previous results, namely in the study (Sparta & Reska, 2022); (Handoko & Santoso, 2023) & (LUTFI, 2023). It's just that the results in this study show that the Green Accounting variable on Environmental Performance is more significant than previous studies.

## 4. CONCLUSION

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