

Development of Green Accounting Model for Hospitality Industry in Badung District

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Abstract—Environmental issues are no longer a new issue. At present, almost in all countries are starting to pay great attention to the issue of environmental damage, for example the problem of global warming. All parties begin to contribute ideas related to saving the environment. One of them is environmental accounting practices. With regard to the existence of the accommodation industry, many parties hope that the accommodation industry must begin to develop sustainable and environmentally friendly businesses. This study intends to explore the development of environmental accounting in Bali, especially in the Badung Regency. The specific purpose of this study is to be able to compile a model in the form of a green accounting policy which contains concepts; reinforce the pattern of relations and clarify environmental accounting practices, enhance the potential of environmental accounting through education, and sustainable development of environmental accounting research. This research is designed in an exploration that examines management perceptions of environmental accounting including conditions that affect, attention, involvement and reporting of environmental accounting. From the results of this statistical test, the company was positioned in the green company matrix, which was then made based on these conditions.

Keyword— *global warming, green accounting, green accounting model, matrix green company*

I. INTRODUCTION

Environmental issues are no longer a new issue. global warming at present, almost in all countries are starting to pay great attention to the issue of environmental damage, for example the problem of global warming [1]. All parties begin to contribute ideas related to saving the environment. One of them is environmental accounting practice [2]. Environmental accounting, known as the green accounting concept, actually began to develop since the 1970s in Europe. The practice of environmental accounting in Indonesia to date has not been effective [3]. The rapid level of development in each region with the existence of autonomy sometimes overrides environmental aspects that are realized or not will ultimately be the main cause of environmental problems [4]. The hospitality industry is a commercially managed business using all buildings and facilities owned to provide services to tourists. With the construction of hotels and facilities to meet the needs of guests, of course there will be the use of natural resources and the environment in which the hotel is built [5]. Every change in the surface of the land will have an impact on both small and large intensity in the form of pressure on the surrounding environment in the form of waste from the

results of its business, excessive use of resources, or changes in land functions. With regard to the existence of the accommodation industry, many parties hope that the accommodation industry must begin to develop sustainable and environmentally friendly businesses. If this is ignored then there is a possibility of more severe natural damage.

From this background, this study intends to explore the development of environmental accounting in Indonesia, especially in Badung Regency, and then to make a green accounting policy model covering those involved, increasing the potential of environmental accounting through education and sustainable development in the form of research and development. This research is important because there is limited similar research, namely about environmental accounting in Indonesia. So from here it is not strange if the development of environmental accounting in Indonesia is not as fast as its development as abroad. That is, [6] disclosure of environmental accounting should not only reveal environmental issues but also report how to manage environmental improvements in the social.

The green accounting implementation is very dependent on the company's perception in understanding environmental issues (environmental awareness) [7]. An understanding of environmental issues will direct the company in its policies. Especially in relation to its involvement in environmental safety, environmental reporting, and the implementation of environmental audits. The four factors above will then be linked to the concept which provide direction for several company condition matrices related to environmental problems in the company [8]. The matrix of the company's conditions related to the environmentally friendly industrial policies is as explained below. The choice of strategy is clearly adjusted to the conditions of the company's matrix. Based on the background above, the formulation of the problems in this study are:

- What factors are the main causes of management policy makers related to their attention to the problems of environmental conditions around them?
- How is management involvement in environmental preservation?
- What is the company's environmental accounting reporting system?
- Does the company have adequate environmental performance audit reports?

- How the green accounting model that can be applied by star hotels in Badung Regency is related to the condition matrix of companies related to the environment?

II. LITERATURE REVIEW

A. Green Accounting Model Concept

The green accounting implementation is very dependent on the characteristics of the company in understanding environmental issues [9]. An understanding of environmental issues will direct the company in its policies, especially related to environmental safety [10]. [8] provide direction for several company condition matrices related to environmental problems in the company. The matrix of the company's conditions related to the environmentally friendly industrial policies is as explained below. The choice of strategy is clearly adjusted to the conditions of the company's matrix.

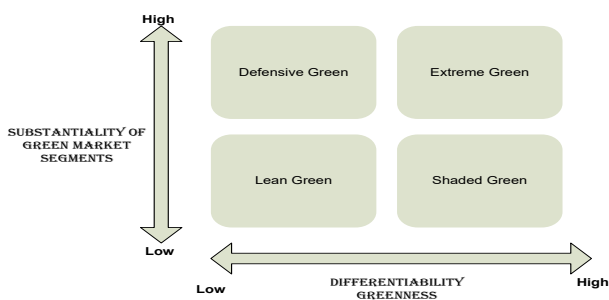


Fig. 1. Company condition matrix [8].

Lean Greens tries to be a good social part, but they don't focus on publications to create products / services that are environmentally friendly. Nevertheless, they are motivated to reduce boarding and improve efficiency through environmentally friendly activities, with the aim of creating competitive competition in terms of low-cost products, and not merely for environmental safety.

Defensive Green often uses green marketing as a preventive measure, a response to a crisis or a response to the activities of a competing company. They strive to improve their brand image and overcome damage, realizing that environmentally friendly industry segments are important and profitable. Companies in this condition will carry out promotional activities to care for the environment on a small scale both for certain activities or programs. So from here, they can survive and argue when their industry is criticized by activists concerned about the environment or even competitors.

Invests in a long-term, comprehensive environmentally friendly industrial process that requires high commitment to finance and non-finance. Companies with this type view the environment as an opportunity to develop needs and fulfillment initiatives for products and technologies that are produced in a process that prioritizes profitable competition.

A comprehensive philosophy and value forms a company of this type. The issue of environmentally friendly products is fully integrated into the business and recycling process of

the company's products. Often the problem of environmentally friendly products is the goal that directs the company from day to day. The practices that occur include pricing approaches, environmental management based on TQM and about management for environmental problems.

III. RESEARCH METHODS

A. Location and Respondent

Research will be carried out on star hotels in Badung Regency, namely in Kuta and Nusa Dua. The reason for choosing star hotels in Badung Regency as a respondent is that there are quite a lot of hotels in Badung Regency which contribute greatly to putting pressure on the environment.

B. Data Collection Technique

The population of this study were all five- star hotel managers in Badung Regency. Samples from this study were taken from managers at the hotel randomly. Each manager will be given a questionnaire to be filled related to their perception of this environmental accounting issues. Data in this study were collected in two ways. The first way is to collect secondary data from the library such as reviewing literature from various books, journals and several other references. The second way is to collect primary data, namely data about the press of the company management episodes related to attention, involvement, reporting on financial and audit capabilities. Questionnaire data collection was carried out for approximately four months from May to August 2019.

C. Mechanical Analysis Data

The data analysis technique used in this study is quantitative analysis techniques using the Mann-Whitney Ranking and Test. The results of this test are used to classify starred hotel categories in Badung Regency (Kuta and Nusa Dua) into four green corporate strategy matrix quadrants.

D. Variables and Measurements

The variables in this study are perceptions of each company manager related to their responsibilities in managing the environment around their company. There are at least four progressive levels in terms of the environmental responsibility of a company's life, namely; his attention to environmental problems (environmental awareness), his involvement in environmental problems (environmental involvement), reporting environmental problems (environmental reporting) and environmental audits (environmental audits).

1) *Environmental Awareness*: In this variable, the conditions that cause respondents to pay attention to environmental problems will be examined. Some conditions will be presented in the questionnaire related to respondents' perceptions of what conditions most influence them in paying attention to environmental issues around them.

2) *Environmental Involvement*: To measure this variable, the researcher used the question instrument as follows: existence of environmental units within the

company, availability of funds for environmental protection, availability of programs or procedures that reduce consumption of natural resources, availability of environmental safety studies if the company uses internal machines production activities.

3) *Environmental Reporting*: This variable is measured based on answers to the availability of reports on the company's environmental performance [1].

4) *Environmental Audit*: This variable is measured based on answers to the availability of audit reports on the company's environmental performance.

E. Preparation of The Green Accounting Model

After exploration of the conditions that affect, attention, involvement and reporting of financial accounting through testing descriptive statistics, the next step is to position the company in the company's matrix of environmental problems. From here, the forms of financial accounting disclosures will be determined according to the conditions of the companies in the area. Test Results and Analysis A company is said to have a concern for environmental issues if first, the company has attention to environmental issues around it. Next, the company is said to have good attention when the company has involvement in activities concerned with the environment or its conservation. This must be followed by environmental accounting reporting in the company. The final stage of this form of concern is the existence of an environmental audit with which the effectiveness and efficiency of the environmental care program is measured.

Mann-Whitney Ranking and Tests show cumulative test results, where the results of this test are used to classify five-star hotel categories in Badung Regency (Kuta and Nusa Dua) into four green corporate strategy matrix quadrants. De by knowing the position of the company, the green accounting policy prepared for each region is based on its category. The green accounting implementation is very dependent on the characteristics of the company in understanding environmental issues. An understanding of environmental issues will direct the company in its policies, especially related to environmental safety.

The average measurement of management assessment variable instruments for attention, involvement, accounting reporting and environmental auditing is needed to explain in detail the extent to which management assesses information. If the average value of an instrument is smaller or equal to 2 then this indicates that the company criteria associated with the green corporate strategy matrix are categorized as lean green. If the average value of an instrument is greater than 2 and smaller than 3 then this indicates that the criteria of the company associated with the green corporate strategy matrix are categorized as shaded green. If value the average of an instrument is greater than 3 and smaller than 4 so this indicates that the company's criteria associated with the green corporate strategy matrix are categorized as defensive green. If the average value of an instrument is greater than 4 then this indicates that the company criteria associated with the green corporate strategy matrix are categorized in the extreme green.

IV. RESULTS AND OUTREACH ACHIEVED

A. Test Results and Analysis

A company is said to have a concern for environmental issues if first, the company has concern for environmental issues around it. Next, the company is said to have good attention when the company has involvement in activities concerned with the environment or its conservation. This must be followed by environmental accounting reporting in the company. The final stage of this form of concern is the existence of an environmental audit with which the effectiveness and efficiency of the environmental care program is measured.

B. Mann-Whitney Ranking and Test Results

Table I shows the cumulative test results, where the results of this test are used to classify the category of hotels both in Kuta and Nusa Dua in four quadrants matrik green corporate strategy. By knowing the position of the company, the green accounting policy prepared for each region is based on its category. Implementation of green accounting very much depends on the characteristics of the company in understanding environmental issues. An understanding of environmental issues will direct the company in its policies, especially related to environmental safety. J. M. Ginsberg and N. B. Paul provide direction for several company condition matrices related to environmental problems in the company. The matrix of the company's conditions related to the environmentally friendly industrial policies is as explained below. The choice of strategy is clearly adjusted to the conditions of the company's matrix.

TABLE I. MANAGEMENT ASSESSMENT INSTRUMENT

No.	Variable	Kuta	Nusa Dua	Mann Whitney Test
1	Environmental Awareness	3.444	4.001	W = 4 Sign at 0.076
2	Environmental Responsibility	3.522	4.646	
3	Environmental Involvement	3.777	4.778	
4	Environmental Reporting	3.632	4.881	
5	Environmental Audit	3.455	4.555	

Source: data processed (2019)

The average measurement of management assessment instruments for attention, involvement, accounting reporting and environmental auditing is needed to explain in detail as far as management assesses the information-in formation. If the average value of an instrument is smaller or equal to 2 then this indicates that the company criteria associated with the green corporate strategy matrix are categorized as lean green. If the average value of an instrument is greater than 2 and smaller than 3 then this indicates that the company's criteria associated with the green corporate strategy matrix are categorized as shaded green. If the average value of an instrument is greater than 3 and smaller than 4 then this indicates that the company criteria associated with the green corporate strategy matrix are categorized in the defensive

green. If the average value of an instrument is greater than 4 then this indicates that the company criteria associated with the green corporate strategy matrix are categorized in the extreme green. The following is a detailed explanation of each management assessment instrument.

V. CONCLUSION

From the results of the average test and the Mann-Whitney test above, it can be concluded that several things related to concern for environmental problems different between Hotels in Kuta and in Nusa Dua. Associated with the green corporate strategy matrix, companies in Kuta can be categorized in the Defensive green matrix, while companies in Nusa Dua are categorized in the Extreme Green matrix. Both of these conditions are of course different conditions, but in terms of environmental accounting reporting, it is possible for the two to receive the same treatment. That is, companies in two regions have readiness to report on environmental conservation activities in their companies. It is unfortunate if, this condition is then not optimized and is sufficient for what has been there. For this reason, it is necessary to disseminate environmental accounting policies (green accounting) as part of their concern or if they may be affirmed as their responsibility for these environmental problems. Explanation or disclosure of environmental conservation in the form of descriptive explanations it is not sufficient for this situation, so it is necessary to add quantitative disclosures of environmental conservation which of course have more meaning and

usefulness in terms of decision making. For this reason, it is necessary to develop a model for reporting environmental accounting as a form of accountability for environmental conservation activities in the company concerned.

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