

The Effect of Green Accounting on Company Performance with Good Corporate Governance as a Moderating Variable

Rasmi Nur Anggraeni¹, Henni Mande², Nur Rizkianti Suryanto³,
Cahyaning Raheni⁴

Universitas Muhammdiyah Palu, Indonesia
cahyaningraheni@gmail.com

ABSTRACT

Researchers have a number of beliefs and experiments that must be proven, namely that the Green Accounting variable can have a positive relationship and a significant influence on company performance, which consists of environmental performance and company performance, because the better the expenditure to maintain and preserve the environment, the company will be far from conflicts caused by pollution. environment, fines due to environmental pollution, and even natural disasters. However, these expenses will not be very significant if there is no good corporate governance. Based on this, this research aims to analyze the influence of the Green Accounting variable on Company Performance with Good Corporate Governance as a moderating variable. This research is quantitative research with an explanatory approach. The data used in this research was collected using a questionnaire method from 150 employees in the B3 waste supervisory and management department and 150 employees in the finance department. This data can also be called primary data. The data collected from the questionnaire method was analyzed using the smart PLS 4.0 analysis tool.

Keywords: Green Accounting, Company Performance, Good Corporate Governance

INTRODCUTION

According to (Hamidi, 2019) Green Accounting or environmental accounting is defined as: "a style of accounting that includes the indirect costs and benefits of economic activity such as environmental effects and health consequences of business decisions and plans." This means that environmental accounting is a type of accounting, which includes indirect costs and benefits of economic activities, such as the environmental impacts and health consequences of business planning and decisions. Apart from that, environmental accounting is accounting which means identifying, measuring, assessing and disclosing the costs of company activities related to the environment (Aniela, 2012) . Environmental accounting can also be thought of as a quantitative measurement structure for environmental conservation activities carried out by companies (Suartana, 2010). Green Accounting is one way to express and report the consequences of a company's operational activities on the environment in the company's financial reports. Green Accounting seeks to combine environmental costs with business operations funds. Green Accounting also prepares ways for opportunities to reduce energy and natural resources, reduce health risks, and promote the company's competitive advantage (Ningsih, 2017).

Thus, Green Accounting is an effort to improve the company's economy without ignoring the state of the surrounding environment. Green Accounting is

used by companies to produce assessments of data in the form of figures about costs and impacts on the environment. The use of environmental accounting concepts for companies encourages the ability to minimize the environmental problems they face (Egbunike, 2018). The implementation of Green Accounting by this company is a form of corporate responsibility towards stakeholders, because what stakeholders want is not only to focus on financial value but also to focus on environmental value, namely whether the company cares about the environmental impact of the company's operational activities.

Regulations regarding Green Accounting, namely Law no. 23 of 1997 concerning Environmental Management. This law regulates the obligations of every person who undertakes or has activities to safeguard, manage and provide correct and accurate information regarding the environment (Hamidi, 2019). Apart from that, there are also accounting standard regulations (PSAK) related to the implementation of Green Accounting or environmental accounting, namely PSAK Regulation No. 1 of 2004 which regulates "disclosure of environmental impacts", namely companies presenting additional reports regarding the environment, especially for companies with major resources. related to the environment. However, regulations regarding financial accounting standards are not yet mandatory, so there are still many companies that have not implemented Green Accounting (Mariani, 2017).

In fact, implementing Green Accounting has the main goal, namely to protect the environment. And another aim of Green Accounting is to provide recognition and efforts to identify ways to reduce the negative impact of company operational activities on the environment, as well as providing information regarding company operational activities based on environmental protection by evaluating environmental activities from the perspective of environmental costs and benefits. (economic benefit), as well as getting environmental protection effects (Almilia and Wijayanto, 2007). In the end, this policy can improve company performance due to the effects of environmental protection, passing the B3 hazardous waste control, and other things that can be detrimental to the company. The Company's performance includes Financial Performance and Environmental Performance (Prena, 2017).

Financial performance is a tool for measuring a company's financial performance through its capital structure. The benchmarks used in financial performance depend on the company's position. In assessing financial performance, the output and input must be known. It is very important to evaluate financial performance because it can encourage employees to achieve the organizational goals they want to achieve and follow every standard of behavior that has been set, so as to obtain the desired results. The purpose of assessing financial performance is to determine the company's ability to use all its assets to generate profits efficiently (Sulistiawati, 2017).

Environmental performance is a company's ability to make the environment better which is useful for reducing environmental damage caused by the company. Environmental performance relies on the extent of environmental damage caused by company activities. If environmental performance improves, less damage is

caused. Conversely, the more a company's environmental performance decreases, the more damage it causes (Lako, 2018: 105).

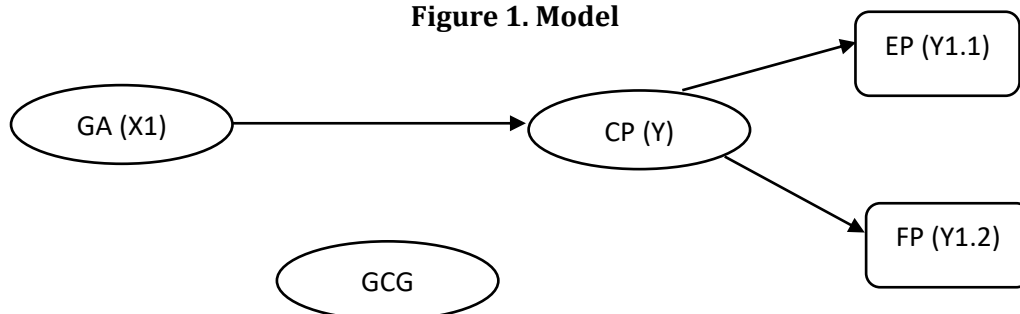
Environmental performance refers to the final results achieved by the environment, in carrying out operational activities, products, services, systems and organizations that are regulated by environmental aspects to eliminate negative impacts on the environment. Environmental performance variables can be measured by companies that participate in PROPER or the Company Performance Rating Program in Environmental Management, a program from the Ministry of the Environment (KLH). With the color categories and values given, gold is the best ranking followed by green, blue, red and black being the worst ranking. With this assessment, the public can easily find out the level of environmental planning and management at the company. Companies that get a black rating will be given to law enforcement and companies that get a red rating will be given confirmation so they can improve the company's environmental performance (Tisna, 2020).

There are a number of studies (Wardianda & Slamet Wiyono, 2023); (Damayanti & Astuti, 2022); (Sparta & Reska, 2022); (Eka Yulia Pratiwi, 2021) & (Zulhaimi, 2015) show a positive relationship and a significant influence on company performance. As a difference from previous research, this research adds the CSR variable as a moderating variable.

RESEARCH METHODS

The implementation of Green Accounting policies in a company in order to protect the environment around the company, researchers believe can improve company performance, both in terms of financial performance and environmental performance (Jonathan Sarwono, 2016). This research is quantitative research with an exploratory approach. The data used in this research is primary data that researchers obtained from the method of distributing questionnaires to 150 B3 waste management employees and 150 finance employees at the Tunas Baru Lampung palm oil company spread throughout Indonesia (Hair, 2010) & (Abdurahman, 2016). These data were analyzed using the smart PLS 4.0 analysis tool with the following research model (Sugiyono, 2019):

Figure 1. Model



Noted:

GA : Green Accounting

CP: Company Peformance

GCG: Good Corporate Governance

Indicator:

EP: Environmental Performance

FP: Financial Performance

Hypothesis:

H1: The Influence of Green Accounting on Good Corporate Governance

H2: Good Corporate Governance can moderates The Influence of Green Accounting on Good Corporate Governance

RESULT AND DISCUSSION

Validity Test

Researchers have a number of beliefs that have been experimented with and must be proven. First, researchers believe that the Green Accounting variable can have a positive relationship and a significant influence on company performance. Second, researchers believe this influence will be more significant if moderated by the Good Corporate Governance variable. These beliefs and experiments must be proven in several stages. The first stage that must be carried out is the validity test by testing the 14 question items as follows (Hair, 2010):

Table 1. Convergent Validity

Variable	Item Question	Loading Factor
Green Accounting (X1)	Green accounting policies can protect companies from natural disasters	0.810
	Green accounting policies can prevent company losses during natural disasters	0.806
	Green accounting policies can prevent companies from being fined for environmental pollution	0.804
	Green accounting policies can improve financial performance	0.809
	Green accounting policies can improve environmental performance	0.811
	The concept of green accounting can attract investors because of good	0.815

	environmental management	
Company Performance (Y)	Environmental preservation can improve the Company's Environmental Performance	0.835
	Environmental preservation can improve company financial performance	0.841
	Environmental preservation can make company spending more beneficial	0.844
	Green Accounting can be influenced by Good Corporate Governance	0.839
Good Corporate Governance (Z)	Good Corporate Governance can influence Financial Performance	0.867
	Good Corporate Governance can influence Environmental Performance	0.878
	Good Corporate Governance can influence the implementation of Green Accounting policies	0.877
	Good Corporate Governance views Green Accounting policies as important for a company to implement	0.869

Valid > 0.70

Reliability Test

After passing the first stage, namely testing the validation of 14 question items consisting of 6 Green Accounting variable question items, 4 Company Performance variable question items, and 6 Good Corporate Governance question items. The next stage that must be gone through to prove the researcher's beliefs and experiments is the reliability test stage with the following results (Sarstedt et al., 2014):

Table 2. Reliability Test

Variable	Composite Reliability	Convergent Validity	Noted
Green Accounting	0.806	0.846	Reliable
Company Performance	0.845	0.895	Reliable
Good Corporate Governance	0.877	0.926	Reliable

Reliable > 0.70

Path Coefficient

The researchers' beliefs and experiments have entered the final stage, namely the path coefficient which aims to determine the direction of the relationship and the significant influence between the Green Accounting variables on Company Performance and Good Corporate Governance. Apart from that, it aims to find out whether the GCG variable is able to moderate the relationship between the two variables above or not with the following results (Ghozali, 2016):

Table 3. Path Coefficient

	Variable	T-Statistics	P-Values
Direct Influence	GA-> CP	3.761	0.019
Indirect Influence	GCG*GA->CP	10.171	0.000

Accepted & Significant Level < 0.05

The beliefs and experiments that the researcher believes have been answered concretely and comprehensively regarding the Green Accounting variable can have a positive and significant influence on the Company Performance variable because the results of the first hypothesis of directly testing the Green Accounting variable on Company Performance have a positive relationship with the T-Statistic value of 3.761 above. of 1.960 and P-Values are below the significance level of 0.05. This is because the better the regulation regarding expenditure to protect the environment, the wasteful expenditure can be minimized, the company will be further away from natural disasters caused by the environment, and investors will be interested because one of the characteristics of good management is environmental preservation.

Apart from that, the Good Corporate Governance variable is able to moderate the relationship between the Green Accounting variable and Company Performance which consists of Environmental Performance and Financial Performance because the T-Statistics value is positive and is far above the standard deviation of 1,960, namely 10,171 and the P-Values value is below the significance level. 0.05, which is 0.000, is more significant than the direct test of 0.019. This is because spending to

preserve the environment must be accompanied by good corporate governance if the company's performance is to increase.

CONCLUSION

The beliefs and experiments that the researcher believes have been answered concretely and comprehensively regarding the Green Accounting variable can have a positive and significant influence on the Company Performance variable because the results of the first hypothesis of directly testing the Green Accounting variable on Company Performance have a positive relationship with the T-Statistic value of 3.761 above. of 1.960 and P-Values are below the significance level of 0.05. This is because the better the regulation regarding expenditure to protect the environment, the wasteful expenditure can be minimized, the company will be further away from natural disasters caused by the environment, and investors will be interested because one of the characteristics of good management is environmental preservation.

Apart from that, the Good Corporate Governance variable is able to moderate the relationship between the Green Accounting variable and Company Performance which consists of Environmental Performance and Financial Performance because the T-Statistics value is positive and is far above the standard deviation of 1,960, namely 10,171 and the P-Values value is below the significance level. 0.05, which is 0.000, is more significant than the direct test of 0.019. This is because spending to preserve the environment must be accompanied by good corporate governance if the company's performance is to increase.

REFERENCES

- Abdurahman, S. (2016). *Metodologi Penelitian*. Sinar Grafika.
- Aniela, Y. (2012). Peran Akuntansi Lingkungan Dalam Meningkatkan Kinerja Lingkungan Dan Kinerja Keuangan Perusahaan. *Berkala Ilmiah Mahasiswa Akuntansi*, 1(1), 23.
- Damayanti, A., & Astuti, S. B. (2022). Pengaruh Green Accounting Terhadap Kinerja Perusahaan (Studi Empiris Pada Perusahaan Pertambangan Dan Industri Kimia Yang Terdaftar Di Bei Periode 2017-2020). *Relevan*, 2(2), 116-125. <https://journal.univpancasila.ac.id/index.php/relevan/article/view/3231>
- Egbunike, A. P. (2018). Does Green Accounting Matter To The Profitability Of Firms? A Canonical Assessment. *Ekonomski Horizonti*, 20(1), 17-26.
- Eka Yulia Pratiwi. (2021). Pengaruh Penerapan Green Accounting Terhadap Kinerja Keuangan Perusahaan Pada Perusahaan Yang Terdaftar Di Bursa Efek Indonesia (Studi Kasus Pada Perusahaan Manufaktur Yang Terdaftar Di Bursa Efek Indonesia 2016- 2021. In *Universitas Teknokrat Indonesia* (Vol. 3, Issue 2).

- Ghozali, I. (2016). *Aplikasi Analisis Multivariete Dengan Program (Ibm. Spss)*. Univrsitas Dipenogoro.
- Hair. (2010). *Multivariate Data Analysis, Seventh Editions*. New Jersey.
- Hamidi. (2019). Analisis Penerapan Green Accounting Terhadap Kinerja Keuangan Perusahaan. *Equilibria*, 6(2), 23–36.
- Jonathan Sarwono. (2016). *Meode Penelitian Kualitatif Dan Kuantitatif*. Graha Ilmu.
- Mariani, D. (2017). Pengaruh Penerapan Green Accounting, Kepemilikan Saham Publik, Publikasi Csr Terhadap Pengungkapan Csr Dengan Kinerja Keuangan Sebagai Variabel Intervening (Studi Empiris Pada Perusahaan Property Dan Real Estate Yang Terdaftar Di Bursa Efek Indonesia Tah). *Jurnal Akuntansi Dan Keuangan*, 6(2), 141–160.
- Ningsih, W. F. (2017). Implementasi Green Accounting Dalam Meningkatkan Kinerja Perusahaan. *Journal Of Applied Business And Economics*, 4(2), 149–158.
- Prena, G. D. (2017). Pengaruh Penerapan Green Accounting Dan Kinerja Lingkungan Terhadap Kinerja Keuangan Pada Perusahaan Manufaktur Di Bursa Efek Indonesia. *Urnal Akun Nabelo: Jurnal Akuntansi Netral, Akuntabel, Objektif*, 3(2), 495–507.
- Sarstedt, M., M. Ringle, C., Smith, D., Reams, R., & Hair Jr, J. F. (2014). Partial Least Squares Structural Equation Modeling (Pls-Sem): A Useful Tool For Family Business Researchers. *Journal Of Family Business Strategy*, 5(1), 105–115.
- Sparta, & Reska, M. N. (2022). Analisis Pengaruh Penerapan Green Accounting Terhadap Kinerja Perusahaan Manufaktur Dalam Bursa Efek Indonesia. *Jurnal Ilmiah Akuntansi Universitas Pamulang*, 10(2), 89–109. <https://doi.org/10.32493/jiaup.v10i2.20497>
- Sugiyono. (2019). *Metode Penelitian Kuantitatif, Kualitatif, R&D*.
- Sulistiawati. (2017). Analisis Pengaruh Penerapan Green Accounting Terhadap Profitabilitas Pada Perusahaan Pertambangan Yang Terdaftar Di Bursa Efek Indonesia. *Jurnal Reviu Akuntansi Dan Keuangan*, 6(1), 21.
- Tisna, R. D. A. (2020). Pengaruh Penerapan Green Accounting Terhadap Profitabilitas Perusahaan Manufaktur Yang Terdaftar Di Bei Tahun 2015-2018. *Jurnal Ilmiah Riset Akuntansi*, 9(1), 7.
- Wardianda, A. B. W., & Slamet Wiyono. (2023). Pengaruh Green Accounting Terhadap Kinerja Keuangan Dengan Moderasi Corporate Governance Terhadap Perusahaan Properti Dan Real Estate Yang Terdaftar Pada Bursa Efek Indonesia (Bei) Tahun 2018-2021. *Jurnal Ekonomi Trisakti*, 3(2), 3183–3190. <https://doi.org/10.25105/jet.v3i2.17411>

Reslaj: Religion Education Social Laa Roiba Journal

Volume 6 Nomor 3 (2024) 2134-2141 P-ISSN 2656-274x E-ISSN 2656-4691
DOI: 10.47476/reslaj.v6i3.5993

Zulhaimi, H. (2015). Pengaruh Penerapan Green Accounting Terhadap Kinerja Perusahaan (Studi Pada Perusahaan Peraih Penghargaan Industri Hijau Yang Listing Di Bei). *Jurnal Riset Akuntansi Dan Keuangan*, 3(1), 603–616.