

Analysis Green of Accounting Practice Implementation: Study on Sea Product Exporting Companies in Gorontalo City

Siti Pratiwi Husain¹

¹Faculty of Economic and Business-Universitas Negeri Gorontalo-Gorontalo-Indonesia

Sahmin Noholo², Melisa Putri Sinto Polapa³, Shabrina Salzabila⁴

^{2,3,4}Faculty of Economic and Business-Universitas Negeri Gorontalo-Gorontalo-Indonesia

Correspondence: pratiwi.husain@ung.ac.id¹



JSM
Volume 7
Number 1
January 2025

Received on 04 Sep 2024

Revised on 13 Oct 2024

Accepted on 17 Nov 2024

The journal allows the authors to hold the copyright without restrictions and allow the authors to retain publishing rights without restrictions. Authors retain copyright and grant the journal right of first publication with the work simultaneously licensed under a creative commons attribution 4.0 international license.



DOI: 10.37479

ABSTRACT

Purpose: The application of green accounting by companies is a form of corporate responsibility towards society and the environment, where companies care about the environment as a result of the company's operational activities. This research aims to determine whether business owners know and implement green accounting practices.

Design/Methodology/Approach: This research method uses a qualitative descriptive approach guided by case studies—data collection techniques through observation, interviews, and documentation of research objects.

Findings: The results of this research regarding understanding and concern in implementing Green Accounting at CV. Berkat Adidaya Gorontalo has implemented Green Accounting by not throwing away factory products carelessly but instead sorting and filtering waste before disposal. By implementing green accounting, companies try to reduce environmental pollution by paying attention to the waste produced due to company activities.

Keywords: *Green Accounting; Corporate Responsibility; Environment*

INTRODUCTION

The current era of industrialization causes competition between companies to become increasingly competitive and requires companies to increase profits as much as possible, thereby forgetting about environmental factors around the company which have a direct impact due to industrial activities. Industrial activities are not centered on material profits alone but must be responsible for the surrounding environment-related to industrial activities starting from the process of taking raw materials, and the production process, to processing waste that does not damage the environment. Corporate responsibility towards the environment and society by including environmental costs in the company's accounting recording practices. This requires

companies to set aside company funds for environmental management and make reports (Yuliana & Sulistyawati, 2021). Accounting has a role in efforts to preserve the environment, namely through green accounting. Green accounting or environmental accounting can be interpreted 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 that includes costs and benefits and indirect effects of economic activity, such as environmental impacts and health consequences of business planning and decisions (Cohen & Robbins, 2011). One of the objectives of implementing green accounting is to increase the efficiency of environmental management from a cost-and-benefit perspective so as to minimize environmental pollution problems faced by companies. The greater the influence resulting from company activities, the more accounting science will contribute to environmental conservation efforts, namely through green accounting, where environmental costs are included in the financial reports. Environmental management costs are costs incurred by a company in dealing with environmental problems due to the impact of the company's operational activities (Angelina & Nursasi, 2021).

The concept of green accounting began to develop in Europe around the 1970s. Green Accounting is a series of processes that start from collecting to preparing reports on environmental and financial data which aims to reduce environmental impacts and costs (Cohen & Robbins, 2011). PSAK No. 57 adopted from IAS 37: Provisions, Contingent Liabilities, and Contingent Assets. Based on this PSAK, companies that carry out environmental improvements, such as environmental restoration caused by waste, can report the recovery costs as provisions. The provision is measured at the best estimate of recovery costs (Sadjiarto, 2011). The aim of implementing environmental accounting is to increase the efficiency of environmental management by carrying out environmental activities from the perspective of costs and benefits or effects (Angelina & Nursasi, 2021).

Environmental management as a form of corporate concern is now an important topic of discussion. Especially for companies or industries whose operational activities are directly related to the management of natural resources which of course has an impact on the surrounding environment.

Industry is all economic activities that manage and utilize raw materials and industrial resources so that they can produce products that have added value. The fish fishing industry is experiencing very rapid development and is spread throughout all regions in Indonesia. The fish processing industry with its various types of preparations and the technology used in the processing or catching process will produce

waste, both solid and liquid waste which has the potential to damage the ecological balance, especially the ecology of water, rivers, and seas.

A marine products exporter company is a company operating in the fishing industry located in the city of Gorontalo in the business of processing and marketing fishery products. The production process produces solid and liquid waste. The company's financial reports do not include environmental management costs. However, every month the company pays a garbage fee to transport solid waste. Meanwhile, liquid waste from fish freezing production has not been taken into account in environmental management costs.

Previous research, namely (Chasbiandani et al., 2019) shows that the implementation of green accounting has a positive impact on the company's financial performance in terms of the level of profitability. Then, in line with research by (Nisa et al., 2020) shows that the implementation of green accounting in accordance with PSAK No. 57 has a positive effect on the company's financial performance. After that, in line with two previous studies, research (Şimşek & Öztürk, 2020) found that the implementation of green accounting had a positive influence on the company's financial performance. This is due to an increase in consumer perception of environmentally friendly products which will ultimately increase company sales and profits.

If we look closely at the impact of human activities on the natural environment, human activities are becoming more numerous and diverse. Human activities in meeting their daily needs can have an impact on the environment. Environmental impacts occur because humans tend to be exploitative or take excessive natural resources from the environment, no longer just to maintain life's necessities. As a result of human activities, the environment is damaged. Environmental damage is getting worse along with the development of industrial companies and technology. In the end, environmental damage has a negative impact on human life.

Companies in managing natural resources have the potential to have negative risks to environmental aspects. For this reason, companies need to place commitment to the environment and social environment as the main thing and cannot be separated from the company's operational activities. To make this happen, the company completes operational activities with environmental management documents that comply with applicable regulations, for example, Environmental Impact Analysis Documents. Environmental management efforts aim to estimate the impacts that will arise from operational activities, evaluate them, and find appropriate solutions to overcome them.

So starting from the background of the problem raised, the main focus of the research is to analyze the extent to which Green Accounting is implemented in its operational activities which are the company's

responsibility towards the community and the surrounding environment which of course will have an impact on the company's image and improve the company's performance. Green accounting is accounting that includes environmental costs in business decision-making and communication with stakeholders. Sea product exporting companies must be able to identify, understand, and measure the environmental costs involved in their operations. The implementation of green accounting in seafood exporting companies provides knowledge for companies regarding the environmental impacts of the company's business activities. Of course, this becomes material for company evaluation regarding the implementation of the Green Accounting concept.

METHODS

The research method used in this research uses a qualitative method with a study method. Where researchers carry out an in-depth exploration of events, processes, and activities with one or two more people. This is bound by time and activities and researchers collect data in detail and over a continuous period of time (Creswell, 2009).

This section contains a statement of the research method used, namely qualitative research methods. Next, it contains data and several methods, namely: A case study involving a seafood exporting company in the city of Gorontalo to describe the implementation of their green accounting practices in detail. In-depth interviews, involving managers or practitioners in these companies to gain in-depth insight into the implementation of green accounting practices and the factors that influence them. Document Analysis, observing documents related to green accounting practices produced by these companies, such as sustainability reports or environmental policies. Observation or Observation, making direct observations of the company's operational activities to see practical green accounting practices.

The types of data used in this research are main data and supporting data. The main data is in the form of primary data, namely through interviews prepared based on questions regarding the implementation of green accounting practices in the company's business activities. Supporting data is in the form of financial report data from the company. The steps taken in processing qualitative data are as follows (Sadjiarto, 2011): data reduction, data presentation, and drawing conclusions or verification.

RESULTS

CV. Berkat Adidaya Gorontalo is a business entity owned by an individual or limited liability company, the owner is Mr. H. Nurdin Umar, SE, MM. At the start of this company's founding in 1999, it was engaged in the business sector: International Pallets domiciled in

Jakarta. The head office is located at the Pulogadung Trade Center (PTC) Tower Building, Jakarta.

In 2003, we opened a business branch in the field of Wooden construction (wooden construction and furniture) based in Bogor, in 2004 we opened a developer business branch based in Bekasi, and in 2005 we opened a Fish and Marine Products business branch with the address at street KS Tubun No. 18, Tendah Village, Hulonthalangi District. Gorontalo City-Gorontalo Province.

Since it was inaugurated at the end of 2005 by Mr. Agung Laksono and Mr. Fadel Muhamad, this company employs 35 workers consisting of permanent employees (monthly) and casual daily workers. Because the management system did not work as expected, at the end of 2010 PT AGAS Gorontalo stopped operating (vacuum) until 2015.

At the beginning of 2016, it began operating again with the building system and production facilities being contracted to CV management. Berkat Adidaya Gorontalo. Continuous processing provides proof of the company's quality standards and certification.

Based on the results of an interview with Mrs. Vina an employee who works at the CV. Berkat Adidaya Gorontalo regarding the activities, management, and constraints that exist in the Company as follows:

- 1) Operational activities at CV. Berkat Adidaya Gorontalo is carried out optimally and by company operational standards. Company CV. Berkat Adidaya Gorontalo carries out waste management by applicable standards. Waste handling is carried out in a manner that complies with waste criteria, where dry waste is transported by the Environmental Service (DLH) three times a week, and wet waste is placed in plastic to prevent the appearance of bad odors.
- 2) CV. Berkat Adidaya Gorontalo manages waste very well. Liquid waste is disposed of through pipes so that it is not directly exposed to the public, and to reduce the odor produced by liquid waste, the company uses chlorine so as not to disturb the activities of the surrounding community.
- 3) The problem faced is that when too much waste is produced, DLH itself cannot collect the waste at the same time, so the waste piles up, therefore the company incurs additional costs to collect the remaining waste using the company's operational vehicle, so the company incurs double costs in handling the company's waste.
- 4) Maintenance and wage costs can be seen from the monthly expenditure to DLH of Rp. 150,000 and personal operational costs can be up to Rp. 500,000.
- 5) The process of exporting marine products by CV. LALA Adidaya Gorontalo is carried out very strictly by carrying out trials through

quarantine centers so that it is not haphazard in exporting marine products whether they are suitable for export or not

DISCUSSION

Analysis of the Implementation of Green Accounting Practices at CV. Berkat Adidaya Gorontalo

Based on the results of observations, interviews, and document data, operational activities at CV can be stated. Thanks to Adidaya, Gorontalo has implemented green accounting as a basis for caring for the environment in the area around the factory. The research results are in line with (Yuliana & Sulistyawati, 2021) which explains that society's awareness of the environment gives the idea to hold an environmental care movement (green movement) as a consequence of the industry concerned. This environmental concern is what underlies the emergence of green accounting. Green accounting is an accounting process that integrates recognition, measuring value, recording, summarizing, and reporting financial, social, and environmental information in an integrated manner in one accounting reporting package, which is useful for users in economic and non-economic research and decision-making. However, green accounting specifically discusses the identification, measurement, and allocation of environmental costs, integrating environmental costs into business, and identifying obligations towards the environment.

Research is also similar to that of (Angelina & Nursasi, 2021) who explains that environmental damage is mostly caused by company operational activities which are starting to become the focus of society in carrying out activities such as global warming, eco-efficiency, and other industrial activities which have a direct impact on the surrounding environment.

Next, regarding activity waste at CV. Berkat Adidaya Gorontalo As a place to dispose of liquid waste produced from machine oil, only a few from the factory are still being tested in the lab in Palu, where the liquid waste is discharged into the river using pipes. And for fabric waste, the company collaborates with DLH, who pick it up 3x every week, and for wet waste such as small fish that are not included in production, they are placed in plastic and then frozen first so that they don't cause a bad smell.

It is clear that the implementation of Green Accounting in this factory has been carried out well to save the environment around the factory so that it is not damaged and the ecosystem continues to run well. The waste produced has also been researched and tested in the laboratory before being flowed into the river. And for the bad smell produced by the factory, they use chlorine so that the resulting smell is not strong.

Environmental Cost Measurement

Recording of Environmental Costs incurred by CV. Berkata Adidaya Gorontalo where every month they spend approximately Rp. 150,000 depending on the production produced by the factory. Meanwhile, when the production produced by the factory is too large, the factory incurs more operational costs to transport the waste itself, where the waste that is delivered to the landfill is weighed, with costs usually reaching Rp. 500,000 for a month.

Based on the results above, CV. Thanks to Adidaya Gorontalo, it makes great efforts so that the waste produced does not pollute the surrounding environment. Environmental responsibility is a mechanism for an organization to voluntarily integrate environmental and social concerns into its operations and interactions with stakeholders that go beyond legal responsibilities (Handayani, 2010).

This is in line with research (Setiawan, 2013) which states that a company's ability to implement green accounting in its business environment is expected to be able to manage costs related to the environment and in the end, the company will be able to carry out sustainable development and support business continuity. Attention to the environment is a business elevator to gaining long-term profits.

Application of Green Accounting in Business Sustainability at CV. Thanks to Gorontalo's Superpower

The application of green accounting encourages the ability to minimize environmental problems faced and increase the efficiency of environmental management by assessing environmental activities from the perspective of costs and benefits. The application of green accounting in companies will reduce the occurrence of environmental pollution so it is hoped that human awareness and knowledge of the impact of environmental damage will affect survival in the future.

Based on the results of observations, interviews, and document data, it can be stated that CV. Thanks to Adidaya, Gorontalo really pays attention to its environment. The application of environmental accounting is very important for companies, especially regarding the allocation of environmental costs. This is in line with research (Sari, 2013) that industrial pollution and waste a negative examples of industrial operations. Industry requires an environmental accounting system to control corporate responsibility. Implementation of green accounting in a company, especially CV. Thanks, Adidaya Gorontalo, is very helpful in the reporting process related to environmental costs incurred by the company to provide information regarding the company's performance based on environmental protection.

The application of Green Accounting is very supportive in the evaluation process such as environmental activities and always carries out analysis, especially waste problems. This is by government regulations in the Republic of Indonesia Law no. 32 of 2009 concerning environmental protection and management. The implementation of environmental management is a government guideline given to business entities producing waste so that they can make efforts in the aspect of controlling pollution and damage to environmental functions which includes prevention, mitigation, and restoration (Moedjanarko, 2013). because in implementing green accounting the company will voluntarily comply with the policies of the government where the company runs its business.

CONCLUSION

Based on the results of research discussions regarding understanding and concern in implementing Green Accounting at CV. Thanks to Adidaya, Gorontalo has implemented Green Accounting by not throwing away factory products but rather sorting and filtering the waste before it is disposed of.

By implementing green accounting, companies try to reduce environmental pollution by paying attention to the waste produced as a result of company activities. Green accounting as an innovation in reducing environmental pollution helps companies pay attention to the surrounding environment. The application of green accounting helps companies reveal the environmental problems they face and helps companies in the reporting process regarding costs incurred in environmental conservation in an effort to prevent environmental pollution due to waste produced. From company activities.

Based on the conclusions from research regarding the implementation of Green Accounting at CV. Thanks to Adidaya Gorontalo, researchers provide suggestions or recommendations so that they can calculate more costs incurred in managing waste in factories and continue to optimize the implementation of green accounting as a form of corporate responsibility towards the surrounding environment so that this will have an impact on the company, namely improving company performance and gaining good image from external parties, especially the surrounding community.

REFERENCES

- Angelina, M., & Nursasi, E. (2021). Pengaruh Penerapan Green Accounting Dan Kinerja Lingkungan Terhadap Kinerja Keuangan Perusahaan. *Jurnal Manajemen Dirgantara*, 14(2), 211–224.
- Chasbiandani, T., Rizal, N., & Satria, I. (2019). Penerapan Green Accounting Terhadap Profitabilitas Perusahaan Di Indonesia. *Accounting And Financial Review*, 2(2), 126–132.

- Cohen, N., & Robbins, P. (2011). *Green Business: An A-To-Z Guide*. Sage Publications Inc.
- Creswell, J. W. (2009). *Research Design : Qualitative, Quantitative, And Mixed Methods Approaches*.
- Handayani. (2010). Pelaporan Biaya Lingkungan Sebagai Alat Bantu Bagi Pengambilan Keputusan Yang Berkaitan Dengan Pengelolaan Lingkungan. *Jurnal Akuntansi: Akrua*, Vol 1, No, Hal 80-100.
- Moedjanarko, E. C. (2013). Pengelolaan Biaya Lingkungan Dalam Upaya Minimalisasi Limbah Pt Wonosari Jaya Surabaya. *Jurnal Ilmiah*, Vol. 2, No, Hal. 1-13.
- Nisa, A. C., Malika, A., & Anwar, S. A. (2020). Analisis Penerapan Green Accounting Sesuai Psak 57 Dan Kinerja Lingkungan Terhadap Profitabilitas Perusahaan Pertambangan (Studi Empiris Pada Perusahaan Yang Listing Di Bursa Efek Indonesia Tahun 2014-2018). *Jurnal Ilmiah Riset Akuntansi*, 9(3), 15–26.
- Sadjiarto, A. (2011, May 26). Pelaporan Aktivitas Lingkungan Dan Akuntansi Lingkungan. *Living Green: Mensinergikan Kehidupan, Mewujudkan Keberlanjutan*.
- Sari, A. G. (2013). Tinjauan Tentang Pencemaran Lingkungan Hidup Serta Ketentuan Pidannya Dalam Uu No. 32 Tahun 2009 (Uuplh). *Jurnal Ilmiah Berkala Universitas Kadiri*, Hal. 53-62.
- Setiawan. (2013). Penerapan Akuntansi Manajemen Lingkungan Pada Dua Puluh Lima Perusahaan Yang Terdaftar Di Indeks Sri Kehati. *Jurnal Akuntansi*, Vol. 9, No, Hal. 110-129.
- Şimşek, H., & Öztürk, G. (2020). Evaluation Of The Relationship Between Environmental Accounting And Business Performance: The Case Of Istanbul Province. *Green Finance*, 3(1), 46–58.
- Yuliana, Y. K., & Sulistyawati, A. I. (2021). Green Accounting : Pemahaman Dan Kepedulian Dalam Penerapan (Studi Kasus Pada Pabrik Kecap Lele Di Kabupaten Pati). *Solusi : Jurnal Ilmiah Bidang Ilmu Ekonomi*, 19(1), 45–59.