



CORPORATE EMPLOYEES' PERCEPTION OF GREEN ACCOUNTING PRACTICES: AWARENESS, PERCEIVED BENEFITS, AND ORGANIZATIONAL SUPPORT AS DRIVERS OF SUSTAINABILITY

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Abstract

The use of green accounting has gained significant popularity as an effective tool used by organizations to incorporate environmental issues in their finance-related activities (Kanaka Raju, 2018; Wiredu et al., 2023). Although a number of research studies have analyzed green accounting practices by firms and their disclosures, there are very few empirical evidence available that analyzes the perceptions of the employees working in these organizations regarding green accounting practices. The present study aims to analyze the perceptions of the employees of corporations regarding green accounting practices, specifically their knowledge of green accounting practices, the benefits associated with the same, organizational support to the said practices, and how these three variables predict their contribution to organizational sustainability. Descriptive statistics, Cronbach's Alpha test for reliability, Pearson Correlation, and Multiple Linear Regression analysis were conducted based on the data collected from a structured questionnaire distributed among 150 workers of firms engaged in commerce and services. The findings show that awareness about green accounting, benefits from green accounting, and organizational support all positively predict the contribution of green accounting towards sustainability perception of workers, accounting for almost 45 percent of the variance in the dependent variable. These results further advance organizational support theory (Eisenberger et al., 1986) into the context of green accounting and provide implications for application of the theory in practice in organizations.

Keywords: *Green Accounting, Employee Awareness, Perceived Benefits, Organizational Support, Sustainability, Corporate Employees.*

1. Introduction

Sustainability is no longer on the margins but rather a key issue for companies in various industries. With the increasing need for transparency about the environmental impact of business activities, companies now rely on the practice of green accounting, which involves recording, measurement, and reporting of the environmental costs and benefits related to business activities (Kanaka Raju, 2018). The concept of green accounting, otherwise known as environmental accounting, involves integrating ecological factors like depletion of resources, waste management, and cost of pollution into financial accounting systems.

The majority of the current research conducted on green accounting focuses on the effects that such measures have on the firm in terms of financial performance, sustainability reporting, and ecological performance (Indriastuti&Mutamimah, 2023; Wiredu et al., 2023). The application of green accounting measures in an organization can only be successful when the people working in an organization understand the concept, see its benefits, and feel supported by the organization to engage in the process. The mentioned factors play an essential, but not well-studied role in the success of green accounting.



The Organizational Support Theory posits that employees are more likely to respond positively to environmentally friendly policies if they feel that the organization appreciates their input and supports the efforts to become greener (Eisenberger et al., 1986). This concept has been proven in studies on general green behavior of employees (Cantor et al., 2012; Zhang, Wu, & Fan, 2022); however, there are very few studies on the issue of green accounting perceptions of commerce sector employees in light of this particular theory. The current study aims to fill the gap by looking at the interaction between the variables under consideration.

Research Objective: To study the perceptions of corporate employees concerning the practice of green accounting practices - their level of awareness, benefit perception, and organizational support and to analyze their contributions towards sustainability performance in commercial enterprises.

1.2 Conceptual Framework

The study is structured around three independent variables and one dependent variable, as summarized below.

Table 1: Description of Variables and Constructs Used in the Study

Variable Type	Construct	Description
Independent Variable 1 (IV1)	Awareness of Green Accounting	Employees' knowledge and understanding of green accounting concepts and practices.
Independent Variable 2 (IV2)	Perceived Benefits of Green Accounting	Employees' evaluation of the advantages that green accounting offers to the organization.
Independent Variable 3 (IV3)	Organizational Support for Green Accounting	The extent to which employees perceive their organization as encouraging and enabling green accounting practices.
Dependent Variable (DV)	Perceived Contribution to Sustainability	Employees' perception of the extent to which green accounting contributes to organizational sustainability outcomes.

Source: Researcher's compilation

1.3 Hypotheses

H1: Corporate employees' awareness of green accounting practices has a positive influence on their perception of its contribution to sustainability.

H2: Employees who perceive greater benefits of green accounting are more likely to view it as contributing positively to sustainability outcomes.

H3: Strong organizational support for green accounting practices positively influences employees' perception of its role in enhancing sustainability.

2. Review of Literature

2.1 Green Accounting and Sustainability

Green accounting has been defined as an approach which takes into account the costs and benefits that result from environmental protection and resource use, thus encompassing the three dimensions of performance of organizations, which are economic, social and environmental (Kanaka Raju, 2018). Kanaka Raju (2018) conducted an empirical study on a sample of corporate respondents, whereby he found out that variation in environmental performance could be significantly explained by green accounting parameters such as cost-benefit analysis and environmental cost management. Conversely,



Wiredu et al. (2023), who conducted a study involving 372 employees of pharmaceutical manufacturing companies, observed that environmental compliance and business efficiency had a significantly positive impact on sustainability, while environmental costs mediated the link between green accounting and sustainability performance. The above results support the hypothesis that efficiency and compliance perspectives of green accounting are important predictors of sustainability perceptions.

At the SMEs level, the researchers of Indriastuti and Mutamimah (2023) established that there existed positive correlation between the application of green accounting and sustainable performance, and financial performance acts as mediator for such relation. This research as a whole indicates that green accounting is not just technical activity but it is influenced by how such activity is perceived in an organization.

2.2 Awareness of Green Accounting

Awareness forms the basic precondition that needs to be met for any organizational practice to be adopted effectively. When employees lack awareness regarding the nature of green accounting and its significance, they fail to get engaged with these activities and comprehend their sustainability benefits. Kanaka Raju (2018) pointed out that, in the case of corporations, knowledge of particular practices in green accounting including life cycle costing and flow cost accounting led to positive perceptions about environmental performance measurements.

2.3 Perceived Benefits of Green Accounting

Perceived benefits are the degree to which the employees view the practice of green accounting as providing some form of tangible or intangible benefits to the organization. Business efficiency is strongly associated with the idea of perceived benefit. According to Wiredu et al. (2023), business efficiency was positively related to ecological sustainability performance of pharmaceutical firms in Ghana. However, when there are low perceived benefits, the level of involvement in the green accounting practices will be minimal.

2.4 Organizational Support and Sustainability Perceptions

Theory of organizational support (Eisenberger et al., 1986) holds that employees develop global perceptions on how much their organization respects them and cares for them. Such perceptions play an important role in forming the attitudes and behaviors of the employees in future. The theoretical framework has been adapted to environmental context too: according to Cantor et al. (2012), supervisory and organizational support have a considerable effect on environmental behavior of the employees. In a similar study, Zhang et al. (2022) examined questionnaire data from 408 participants in green manufacturing plants in China and reported that perceived organizational support for the environment positively impacted team learning of environmental knowledge and green innovation behavior. In summary, these studies indicate that organizational support is not only a facilitative condition but an enabler of employee perception and engagement with green activities like green accounting.

2.5 Research Gap

Although the literature review clearly identifies the strong relationship between each of these variables and their respective impacts on sustainability outcomes, there are not many studies which examine these variables in combination to measure their impacts on the perception of the employees regarding their contribution to sustainability through green accounting, especially in the context of a commercial organization.



3. Research Methodology

3.1 Research Design

This research is based on descriptive cross-sectional design that uses quantitative survey method. The primary data was obtained through a structured questionnaire survey among corporate employees.

3.2 Sample and Data Collection

150 samples were used for data analysis purposes. The respondents were selected from corporates who work in commerce and service organizations. The constructs include Awareness of Green Accounting, Perceived Benefits, Organizational Support, and Perceived Contribution to Sustainability. This is measured through five items for each construct on a five-point Likert scale, which gives a total of 20 items.

3.3 Measures

The variable IV1 Awareness of Green Accounting was based on items reflecting knowledge of green accounting among the employees. The Perceived Benefits of Green Accounting (IV2) included perception of employees regarding efficiency, costs, and reputation benefits of green accounting. Organizational support for green accounting (IV3) reflected the degree of the perception by the employees that the organization provides resources, trainings, and encouragement for green accounting practices with reference to organizational support theory (Eisenberger et al., 1986). The variable DV Perceived Contribution to Sustainability reflected the total assessment by the employees about contribution of green accounting to sustainability.

3.4 Statistical Techniques

The following statistical tests were applied to the data:

Statistical Test	Purpose
Descriptive Statistics	To summarize demographic profile (age, gender, designation, experience) and construct-level perception scores.
Reliability Test (Cronbach's Alpha)	To assess the internal consistency of the Likert-scale items for each construct.
Pearson Correlation Analysis	To examine the strength and direction of association between the independent variables and the dependent variable.
Multiple Linear Regression	To assess the combined and individual predictive effect of Awareness, Perceived Benefits, and Organizational Support on Perceived Contribution to Sustainability.

Source: Researcher's compilation

All analyses were carried out using 95 percent confidence interval ($\alpha = 0.05$). For each construct, an average score was computed by averaging all the five items. This average was then used in correlation and regression analyses.

4. Data Analysis and Results

4.1 Demographic Profile of Respondents

Table 1 presents the demographic profile of the 150 respondents.



Table 1: Demographic Profile of Respondents (N = 150)

Demographic Variable	Category	Frequency (n)	Percentage (%)
Age	21–30 years	46	30.7
	31–40 years	53	35.3
	41–50 years	33	22
	Above 50 years	18	12
Gender	Male	76	50.7
	Female	74	49.3
Designation	Junior Executive	44	29.3
	Senior Executive	45	30
	Manager	42	28
	Senior Manager / Above	19	12.7
Years of Experience	Less than 3 years	38	25.3
	3–6 years	43	28.7
	7–10 years	33	22
	More than 10 years	36	24

Source: Researcher's compilation

There was gender balance in the sample (50.7% were males while 49.3% females). There was also diversity among the level of experience and organizational levels that ranged from the age bracket 31 to 40 being the highest (35.3%).

4.2 Descriptive Statistics of Study Constructs

Table 2: Descriptive Statistics of Study Constructs

Construct	N	Mean	Std. Deviation	Minimum	Maximum
Awareness of Green Accounting	150	2.97	0.73	1	5
Perceived Benefits of Green Accounting	150	2.96	0.76	1.2	4.8
Organizational Support for Green Accounting	150	3.14	0.68	1.6	4.6
Perceived Contribution to Sustainability	150	3.05	0.71	1.2	4.6

Source: Researcher's compilation

Employees' awareness ($M = 2.97$) and benefits perception ($M = 2.96$) were relatively moderate. Organizational support ($M = 3.14$) and perceived contribution to sustainability ($M = 3.05$) were slightly higher, indicating that organizational support for green accounting is perceived relatively favorably by employees compared to their own awareness and the benefits itself.

4.3 Reliability Analysis (Cronbach's Alpha)

Cronbach's alpha was used to measure internal consistency of the items on the Likert scale. The minimum acceptable value of reliability was taken as 0.70 in line with established recommendations for behavioral science instruments.



Table 3: Reliability Statistics for Study Constructs

Construct	Number of Items	Cronbach's Alpha (α)	Reliability
Awareness of Green Accounting	5	0.883	Good
Perceived Benefits of Green Accounting	5	0.888	Good
Organizational Support for Green Accounting	5	0.859	Good
Perceived Contribution to Sustainability	5	0.869	Good
Overall Scale	20	0.906	Excellent

Source: Researcher's compilation

All four constructs obtained Cronbach's alphas that exceeded the cut-off value of 0.70, with scores varying from 0.859 to 0.888. As for the total 20-item scale, it was found to have an alpha of 0.90.

4.4 Correlation Analysis: Pearson's Product Moment Correlation Coefficients were calculated to measure the degree and direction of the relationship between the three independent variables and the dependent variable.

Table 4: Pearson Correlation Matrix

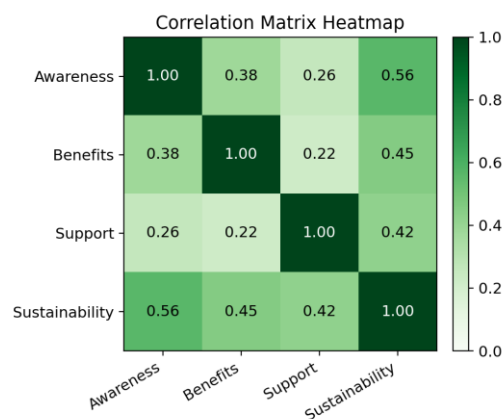
Variable	1. Awareness	2. Benefits	3. Support	4. Sustainability
1. Awareness of Green Accounting	1			
2. Perceived Benefits	0.382**	1		
3. Organizational Support	0.259**	0.222**	1	
4. Perceived Contribution to Sustainability	0.565**	0.453**	0.422**	1

Source: Researcher's compilation

Note: (** $p < 0.01$, two-tailed, $N = 150$)

The correlations were all positive and statistically significant at the 1 percent level. Green accounting awareness was the variable that had the highest correlation with the perception of contribution to sustainability ($r = 0.565$, $p < 0.01$), followed by perception of benefits ($r = 0.453$, $p < 0.01$), and organizational support ($r = 0.422$, $p < 0.01$). The independent variables were also positively inter-correlated among themselves ($r = 0.222$ to 0.382), which is in an acceptable range of inter-correlation without multicollinearity problems in the following regression analysis.

Figure 1: Correlation Matrix Heatmap





4.5 Multiple Regression Analysis

Multiple linear regression analysis was done in order to test the impact of Awareness of Green Accounting (IV1), Perceived Benefits of Green Accounting (IV2), and Organizational Support for Green Accounting (IV3) on Perceived Contribution to Sustainability (DV).

4.5.1 Model Summary

Table 5: Regression Model Summary

R	R Square	Adjusted R Square	F	df1	df2	Sig. (p)
0.67	0.449	0.437	39.587	3	146	< 0.001

Source: Researcher's compilation

The total regression analysis revealed significant results, $F(3, 146) = 39.587$, $p < 0.001$, which could explain 44.9% of the variability in the employees' view on the contribution of green accounting for sustainability ($R^2 = 0.449$, Adjusted $R^2 = 0.437$).

4.5.2 Regression Coefficients

Table 6: Regression Coefficients (Dependent Variable: Perceived Contribution to Sustainability)

Predictor	B	Std. Error	Beta (β)	t	Sig. (p)
(Constant)	0.34	0.261	—	1.301	0.195
Awareness of Green Accounting	0.397	0.067	0.405	5.97	< 0.001
Perceived Benefits of Green Accounting	0.225	0.063	0.24	3.578	< 0.001
Organizational Support	0.277	0.067	0.264	4.104	< 0.001

Source: Researcher's compilation

In addition, all three predictors were found to be statistically significant, unique, and positively predictive of the model. The strongest predictor was found to be Awareness of Green Accounting ($\beta = 0.405$, $t = 5.970$, $p < 0.001$), while Organizational Support ($\beta = 0.264$, $t = 4.104$, $p < 0.001$) and Perceived Benefits ($\beta = 0.240$, $t = 3.578$, $p < 0.001$).

4.5.3 Hypotheses Testing Summary

Table 7: Summary of Hypotheses Testing

Hypothesis	Statement	β	P-value	Result
H1	Awareness of green accounting positively influences perceived contribution to sustainability.	0.405	< 0.001	Supported
H2	Perceived benefits of green accounting positively influence perceived contribution to sustainability.	0.24	< 0.001	Supported
H3	Organizational support for green accounting positively influences perceived contribution to sustainability.	0.264	< 0.001	Supported

Source: Researcher's compilation

All three hypotheses (H1, H2, and H3) were supported by the data.

5. Discussion

However, results of the study reveal that employees' knowledge about green accounting, the positive perception of green accounting practices, and organizational support have a significant and positive relationship on their perception of green accounting towards sustainability. The results of the study align with previous studies that show positive relations between awareness and green accounting



techniques on environmental performance (Kanaka Raju, 2018) and relations between business efficiency and environmental compliance to sustainability outcomes (Wiredu et al., 2023).

It is particularly interesting that awareness became the biggest predictor in this research as well, implying that basic knowledge about the principles of green accounting is a prerequisite for being able to see the sustainability benefits of it, something which is consistent with the finding by Indriastuti and Mutamimah (2023) that green accounting becomes even more evident in terms of sustainability benefits when there is sufficient organizational awareness and financial performance mediation involved. The significant impact of organizational support is consistent with the organizational support theory (Eisenberger et al., 1986) and empirical studies in the literature on employees' green behavior (Cantor et al., 2012; Zhang, Wu, & Fan, 2022), indicating that people interpret organizational efforts as true commitment to environment issues and consequently evaluate green accounting benefits accordingly.

When considered as a whole, these findings indicate that those organizations that wish to enhance the sustainability contribution of their green accounting systems need to focus on three key areas. These are: (a) the development of employee awareness through training and communication; (b) the clear definition of benefits that accrue from green accounting both tangible and intangible, and (c) organizational support.

5.1 Limitations

Some limitations are associated with the present research study. Since the study uses primary data, there might be chances of bias of respondents. In addition, the number of respondents used in the research study is 150 only. Moreover, the research is confined geographically to Mumbai and its suburbs only.

6. Conclusion

The research was aimed at investigating the impact of corporate employees' awareness about green accounting, benefits perceptions and organizational support on the perception of green accounting's sustainability contribution. According to the analysis conducted on the sample size of 150 respondents using the analytical model, all three hypotheses were supported by the results. Awareness, benefit perceptions and organizational support positively influenced the sustainability contribution perceptions independently from one another, explaining around 45 percent of the variability in the dependent variable. Such results highlight the point that the sustainability potential of green accounting is not only an issue of technique but also one determined by the level of comprehension of green accounting on the part of employees, the level of its usefulness from their standpoint, and how much organizational support for it can be observed. Hence, if organizations try to boost their sustainability performance via the use of green accounting, they should regard the three issues mentioned as synergic elements.

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