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A STUDY ON AWARENESS OF ENVIRONMENTAL ACCOUNTING AND REPORTING WITH SPECIAL REFERENCE TO EMPLOYEES OF THRISSUR DISTRICT

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ABSTRACT
Green Accounting is a popular term for environmental and natural resource accounting. It is an expanding field focused on factors like resource management and environmental impact, in addition to company's revenue and expenses. An attempt has been made to analyse the importance of Environmental accounting and reporting. The awareness level of Environmental accounting and Reporting was also examined. Green accounting will help organisations to identify the resource utilization and incurred cost. Practically for developing countries like India, it is a twin problem about saving environment and economic development. This method records costs and benefits of a business concern.
Keywords— Environmental Accounting-Environmental Reporting-Environmental Impact

Introduction

Green Accounting is the most popular term used for Environmental reporting. This was introduced in 1980 by an economist Peter Wood. This plays an important role in Corporate Social Responsibility. This incorporates environmental sources and assets to company's accounts. Social, economic and environmental impact of business is measured. It is a system emerged for sustainable development. This is a new version of accounting for environment and its Well-being. This system of reporting takes into account environmental cost for calculation of income of an enterprise. There is a need for calculating revised method of accounting which includes environmental cost. The environmental dimensions of sustainability reporting concerns an Organisation's impact on living and non-living natural systems including ecosystems, land, air and water. Environmental indicators cover performance related to inputs (eg material, energy and water) and outputs (emissions, effluents, waste etc. In addition, they cover performance related to biodiversity, environmental compliance and other relevant information such as environmental expenditure and impacts of products and services. Businesses use three generally accepted methods to implement Environment accounting namely financial accounting, managerial accounting and national income accounting. Environmental accounting and reporting is used by government agencies to calculate the nation's gross domestic product and how business decisions affect the country's economic well-being. Go Green, Green awareness etc. continue to grow in business, organisations and society. Environment accounting measures the impact of economy on environment and how it contributes to society or economy by using the accounting principles and standards of national accounts. Green accounting, green procurement activities and research and development played a vital role for future corporate sustainability. Environmental accounting is a part of social reporting, Corporate Social Responsibility and sustainable reporting.

Significance of the Study

In today's world ,environmental accounting and reporting is an expanding field focused on factors like Resource Management and Environmental impact in addition to company's revenue and expenses. Companies are incorporating the environmental element in their business operation. This help the organisation to identify the resource utilization and incurred cost. Environmental accounting and reporting are important for company's growth and development. It provides detailed information

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to shareholders and also increases GDP and NNP.CSR activities are mandatory for all organisations, this activity is not engaged in normal course of business so, it's important to find out CSR expenditure.

Scope of the Study

The present study is made to find out the awareness level of Environmental accounting and reporting among employees of various private automobile manufacturing units in Thrissur district. It also aims at analyzing the importance of Environmental disclosure for business. Independent variables of the study are –Age, Marital staus,Income level, Years of experience etc. and Dependent Variable of the study is Environmental Accounting and Reporting.

Statement of the Problem

Accounting word comes from business or commercial activity ie trading, buying or selling. Environment refers to all surroundings of a living organism, non-living organism and natural forces which provide the conditions for development and growth as well as of danger and damage. Environment of business affects the internal or external factors which influence the business. But due to business activities, the environment of earth is degrading and as a result the new green accounting practices has been emerged. Companies are now being pressurized to disclose their environmental performance in their annual or sustainability reporting. Practically for developing countries like India, it is a twin problem about saving environment and economic development. Environment accounting and reporting is in developing stage in India both at corporate and national level. Thus, Environment accounting and Reporting become more important because competition has increased among business and a few studies has been conducted on analysing the Awareness towards Green Accounting and Reporting. So, the present study entitled "A study on awareness of environmental accounting and reporting with special reference to employees of Thrissur district" has been undertaken.

Objectives of the Study

1 To analyse the awareness level of employees towards Environmental Accounting
2 To analyse the awareness level of employees towards Environmental Reporting
3 To analyse the importance of Environmental accounting and reporting in business

Research Methodology

1. **Type of research**

Descriptive research is used for the study.

2. **Types of data**

The data for the study has been obtained as a blend of primary and secondary sources.
Primary data was collected directly from the respondents through questionnaires and surveys and Secondary data was collected from journals, magazines and websites.

3. **Universe/population**

The population of the study is employees of Automobile Manufacturing Company in Thrissur district

4. Sample frame

Selected categories of employees in the Company

5. Sample Unit

Each employee in the sample frame

6. **Sample size**

The size of the sample is 50

7. **Sampling technique**

Purposive or Judgemental sampling technique is used for the study

8. **Tools for data analysis**-

The collected data is analyzed through Percentage method, Ranking method and Likert Scale

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9. **Tools for data presentation**-

The analyzed data is presented with the help of tables, charts and diagrams

Limitations of the Study

- ❖ The study was restricted to employees in Automobile manufacturing company only only
- ❖ The results and findings are based on the opinion of the respondents and it cannot be generalized.

Literature Review

1. **Gupta (2019)** studied a top 50 company's annual report to analyse their environmental disclosure practices. In this study an index of environmental disclosure listing 23 item of information has been used to find out actual disclosure practices in these companies. He found that companies are aware about the fact of environmental issues which effect the business and industries in the future. Despite this awareness, the companies do not have a proper environmental accounting system to determine the environment related cost, benefits, assets and liabilities. In India companies fail to provide adequate disclosure of environment. He concludes that there is a low level of environmental accounting and reporting activity in India
2. **Anita Jose and Shang-Mei Lee (2020)** investigate the environmental management practices of the 200 largest corporation in the world.They found out some interesting facts regarding the disclosure practices of Environmental reporting.They said 60 percent of the worlds largest companies have environmental policies and 41 percent of company disclosure need Environmental management system.In this study they found US 63.22 percent,UK 83.33 percent,Japan 75 percent and Germany 73.68 percent are disclosed.

Table 1 Age of Respondents

Particulars	**Frequency**	**Percentage**
Less than 20	10	20
20-40	38	76
40-60	2	4
Above 60	0	0
Total	**50**	**100**

(Source : Primary Data)

Table 2 Gender of Respondents

Particulars	**Frequency**	**Percentage**
Female	34	67
Male	16	33
Total	**50**	**100**

(Source : Primary Data)

Table3 Annual Income

Particulars(INR)	**Frequency**	**Percentage**
Less than 1 lakh	**32**	**64**
1 lakh - 3 lakh	**13**	**26**
3lakh - 5lakh	**5**	**10**
Above 5 lakh	**0**	**0**
Total	**50**	**100**

(Source : Primary Data)

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Table4 Awareness about Environmental accounting & Reporting

Particulars	Frequency	Percentage
Aware	50	83
Not aware	10	17
Total	**60**	**100**

(Source :Primary Data)

Table5 Years of Experience

Particulars	Frequency	Percentage
Less than 1 year	15	30
1 - 3 years	26	52
3- 6 years	7	14
6 years above	2	4
Total	**50**	**100**

(Source : Primary Data)

Table 6 Response Towards existing system of accounting and reporting

Particulars	Frequency	Percentage
Highly satisfied	3	6
Satisfied	32	64
Neutral	12	24
Dissatisfied	3	6
Highly dissatisfied	0	0
Total	**50**	**100**

(Source : Primary Data)

Table7 Influence of Stakeholders pressure on reporting norms

Particulars	Frequency	Percentage
Influenced	47	94
Not influenced	3	6
Total	**50**	**100**

(Source : Primary Data)

Table 8 Technical Support From Management

Particulars	Frequency	Percentage
Received	40	80
Not received	10	20
Total	**50**	**100**

(Source : Primary Data)

Table 9 Influence of media on Environmental Disclosure

Pariculars	Frequency	Percentage
Highly influenced	13	26
Not highly influenced	10	20
Neutral	27	54
Total	**50**	**100**

(Source : Primary Data)

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Table 10 Level of awareness of Environmental Accounting

Statements		Extremily aware	Moderately aware	Slightly aware	neutral	Slightly unaware	Moderately unaware	Extremely unaware	Total	Mean
	Weight	**7**	**6**	**5**	**4**	**3**	**2**	**1**		
I am aware of the fact that environmental accounting helps to discharge social responsibility more efficiently	F	23	16	8	3	0	0	0	50	**6.18**
	Fx	161	96	40	12	0	0	0	309	
Iam aware that it helps to reduce pollution cost	F	31	15	3	0	1	0	0	50	**6.5**
	fx	217	90	15	0	3	0	0	325	
Iam aware that it provides industrial environmental performance information	F	20	18	10	1	1	0	0	50	**6.1**
	fx	140	108	50	4	3	0	0	305	
I am aware of the fact that it improves public policy	F	10	20	13	4	3	0	0	50	**5.6**
		70	120	65	16	9	0	0	280	

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decision making	fx									

Table 11 Mean and standard deviation regarding the level of awareness of Environment Reporting

Statement	Mean	Std Deviation	Level
The company has a specialized team of technicians to study public policies in the field of environment	4.441	0.56576	5
The companys management examines the environmental status	3.927	1.09057	15
The companys management examines operational practices and monitors emission	4.198	0.72224	11
The management examines the disposal of hazardous waste	4.585	0.59361	1
The concept of Environmental disclosure is unclear to the employees	4.387	0.70127	8
There is a need to apply environmental reporting in the industrial company	4.391	0.58991	7
The application of environmental reporting brings environmental revenue	4.531	0.56792	3
The adoption of environmental reporting helps to make rational decisions in production	4.567	0.56475	2
The adoption of Environmental reporting is detrimental to company's reputation	4.351	0.66793	9
Accountant should prepare Environmental financial statements also	2.864	1.18426	17
Application of Environmental disclosure leads to unnecessary spending	4.013	1.01339	13
I support the environmental reporting practices of the company	3.522	0.99634	16
The adoption of environmental disclosure improves the quality of financial statements	3.95	0.83600	14
Environmental accounting information contributes to investment decision making	4.265	0.74700	10

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Table 12 Importance of Environmental Reporting

Importance	Rank	1	2	3	4	5	Total	Mean	Rank
	Weight	5	4	3	2	1			
Measurement of Environmental resources	F	11	12	9	13	5	50	3.22	2nd
	Fx	55	48	27	26	5	161		
Social Contribution by corporates	F	22	14	5	8	1	50	3.96	1st
	fx	110	56	15	16	1	198		
Proper disposal of hazardous waste	F	4	10	19	10	7	50	2.88	4th
	fx	20	40	57	20	7	144		
Cleaning up pollution	F	10	8	14	10	8	50	3.04	3rd
	fx	50	32	42	20	8	152		
Regulatory requirements	F	3	6	3	9	29	50	1.9	5th
	fx	15	24	9	18	29	95		

Importance	Rank	1	2	3	4	5	Total	Mean	Rank
	Weight	5	4	3	2	1			
Demonstrate green credentials	F	23	10	8	7	2	50	3.9	1st
	fx	115	40	24	14	2	195		
Awareness of energy and raw material cost	F	5	15	12	11	7	50	3	3rd
	fx	25	60	36	22	7	150		
Review Environmental performance	F	18	14	10	5	3	50	3.78	2nd
	fx	90	56	30	10	3	189		
Provide the base for decision making	F	3	9	10	12	16	50	2.42	4th
	fx	15	36	30	24	16	121		
Improved reputation	F	1	2	10	15	22	50	1.9	5th
	fx	5	8	30	30	22	95		

Findings

On the analysis and evaluation of the data collected from the respondents, the following important findings were recorded:

- It can be seen that around 76 percent of respondents belong to the age group of 20-40, 20 percent of the respondents belong to less than 20 years of age and only 4 percent of respondents belong to the age group of 40-60.
- It can be seen that 67 percent of respondents are female and 33 percent of respondents are male.

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- It can be seen that 64 percent of respondents have annual income less than 1 lakh 26 percent of respondents have annual income between 1 lakh to 3 lakh and 10 percent of respondents have income between 3 lakh to 5 lakh
- It can be seen that 83 percent of respondents are aware about Environmental accounting and Reporting and 17 percent of respondents are not aware about them.
- It can be seen that ,52 percent of respondents have work experience for 1- 3 years 30 percent of respondents have experience for less than one year.14 percent of respondents have been working for 3 to 6 years and 4 percent of respondents have work experience of 6 years and more
- It can be seen that , 64 percent of respondents are satisfied with the existing accounting and reporting system in the company ,24 percent of respondents have neutral opinion about accounting and reporting system and 6 percent of respondents are highly satisfied and dissatisfied respectively with the existing accounting and reporting system
- It can be seen that , 94 percent of respondents opined that stake holders pressure influenced on reporting norms and 6 percent of respondents opine that stake holders pressure are not influenced on reporting norms.
- It can be seen that, 80 percent of respondents receive technical support from management for adoption of Environmental accounting and 20 percent of respondents does not received technical support.
- It can be seen that 54 percent of the respondents have neutral opinion about the influence of media on Environmental disclosure 26 percent of respondents opined that media have high influence on Environmental disclosure and 20 percent of the respondents are of the opinion that media have not highly influenced on Environmental disclosure.
- It can be seen that , employees are extremely aware of the fact that environmental accounting helps to discharge social responsibility more efficiently which has mean value 6.18. helps to reduce pollution cost (6.5) , Provides industrial performance information (6.1) They are least aware of the fact that environmental accounting improves public policy decision making(5.6)
- It can be seen that Employees are aware of the fact that adoption of Environmental reporting increases the revenue of the concern and helps to make rational decision in production. There is a need for environmental disclosure in industrial company
- It can be seen that, the Environmental accounting is needed to understand the social contribution made by corporates, then it is needed to measure the Environmental resources of the company, thirdly it is essential for cleaning up pollution and proper disposal of hazardous waste. The least importance of Environmental accounting according to employee's opinion was to meet regulatory requirements.
- It can be seen that, the majority of people giving their first preference to demonstrating green credentials as the main importance of Environmental reporting and second preference given to Reviewing Environmental performance, Awareness of energy and raw material cost, base for decision making and least preference was given to the fact that environmental reporting helps to improve the reputation of the company.

Conclusion

The major purpose of Green Accounting is to help business understand and manage the potential quid pro quo between traditional economic goals and environmental goals. The countries which are adopting green accounting are Norway, Philippness, Namibia, Chile, USA, Japan etc. Green Accounting in India is in developing stage. It is one of the best methods to be followed for sustainable development.

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