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Sustainability Value in the Implementation of Green Accounting in the Hospitality Industry

Iis Solihat & Faridah Iriani

Accounting Study Program, Faculty of Economics and Business, Open University, Indonesia

Email: isolihat@ecampus.ut.ac.id

Abstract

This article aims to analyze the factors that influence corporate voluntary disclosure of information related to corporate social responsibility regarding environmental awareness, environmental responsibility, environmental engagement, environmental accounting reporting, and environmental audits among local hospitality hotels in Anyer. Factors that influence social responsibility disclosure in this study are reviewed from the legitimacy theory. This research is qualitative research; the research method used in this study is a descriptive qualitative method with interview methods and literature studies. The results of the study based on the review of legitimacy theory indicate that several factors that influence corporate social responsibility disclosure are company size, industry type, media pressure and corporate environmental performance. These factors exist in both developed and developing countries, however, there are differences in environmental responsibility, involvement in environmental protection, environmental accounting reporting, and environmental audits among local hospitality hotels. Sustainability provides an understanding of the differences in the application of green accounting related to corporate social responsibility, environmental awareness, environmental responsibility, environmental engagement, environmental accounting reporting, and environmental audits among local hospitality hotels in Anyer Beach.

Keywords green accounting, environmental responsibility, environmental accounting reporting, hotel hospitality.

1. Introduction

The main challenges facing the implementation of green accounting in the hospitality industry include difficulties in collecting and presenting environmental cost data, limited standardized assessment methods, a lack of awareness and political will (management commitment) to implement sustainability principles, and uncertainty about the financial impacts that could impact company value. Furthermore, the lack of standardized reporting and the lack of demand for this information by external parties are also obstacles.

The following is a summary of practical data and sources on the application of green accounting in the hospitality industry (focus: metrics, measuring tools, case study findings in Indonesia, benefits & challenges). According to Ratnaningsih (2024) the hotel industry has a major impact on environmental sustainability, public attention is starting to consider the green industry and through green accounting plays a role in helping companies include and consider environmental costs in their financial reports, three hotels in Anyer Beach have implemented several green accounting activities, by carrying out activities related to the hotel's environmental protection program, hotel solid waste management, hotel purchasing activities, energy use and hotel

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resource conservation. Recognized environmental costs—waste management costs, compliance costs, efficiency investments; it is important to calculate the ROI of green programs according to the observation of the hotel industry having a major impact on environmental sustainability below:

Figure 1. Green Accounting



Summary of practical data and sources on the application of green accounting legitimacy theory can be used to measure the application of green accounting hospitality hotel shows that several factors that influence the disclosure of corporate social responsibility are company size, industry type, media pressure and company environmental performance these factors exist in both developed and developing countries however, there are differences in environmental responsibility.

Table 1. Legitimacy Theory in the Application of Green Accounting in the Hospitality Industry

Factor	Explanation	Relevance to Hotels	Differences between Developed and Developing Countries
Company Size	Large companies tend to receive greater scrutiny from the public and regulators.	Large star hotels are more required to report environmental costs (water, energy, waste).	In developed countries, large hotels are already required to report emissions and waste. In developing countries, reporting is still voluntary.

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Type of Industry	Industries with high environmental impact are more encouraged to disclose CSR.	Hotels and resorts in coastal/mountain areas must report energy use & conservation.	Developed countries: stricter industry standards. Developing countries: implementation depends on local policies.
Media Pressure	Media coverage encourages companies to maintain public legitimacy.	Hotels exposed to waste/energy issues tend to be quicker to implement green accounting.	Media in developed countries are more critical and active. In developing countries, media pressure is still limited.
Environmental Performance	Companies with good environmental performance tend to be more transparent.	Eco-friendly hotels report eco-hotel certification, ISO 14001, or green tourism.	Developed countries: environmental performance becomes the standard for business competition. Developing countries: more of a value-added image.

Astuti, AD, & Nugroho, PI (2016) stated that the result of the hospitality service sector is waste. Waste comes from wet materials, processed food, and water, washing water. If not handled properly, it will have a negative impact on the surrounding business environment. This study took samples of lodgings in the city of Salatiga regarding concern and awareness for environmental friendliness. However, in reality, many non-star hotels are still unaware of *green accounting*. Knowledge of environmental costs is one of the responsibilities of business activities. So, socialization is needed in all hotels in Salatiga, both star and non-star hotels. Thus, *green accounting* can be applied in the hospitality sector, both star and non-star hotels. *Reduce, reuse*, and *recycle* are concepts or principles of waste management that focus on reducing the amount of waste, either by minimizing the use of items that have the potential to become waste (*reduce*), reusing items that have been used (*reuse*), or processing waste into new products (*recycle*). *Sewage Treatment Plant* is a system designed to treat domestic wastewater from buildings, residential areas, offices, hotels, and others, so that it becomes clean water that is environmentally friendly or safe for reuse. The process includes various stages such as filtering, sedimentation, decomposition by microorganisms, chemical processes, to filtration and disinfection to remove contaminants before the water is released into the environment or reused. According to Leiserowitz, AA, Kates, RW, & Parris, TM (2006) in values, attitudes, and behaviors related to human and economic development, the environment, and driving forces (population, prosperity, technology, and rights); and describes empirical trends in attitudes towards contextual values that condition sustainable development (e.g., freedom and democracy, capitalism, globalization, and equality). Finally, this review identifies important barriers between attitudes and behavior; draw several conclusions regarding the changes in values, attitudes, and behaviors necessary to achieve global sustainability; and suggest future research directions. Compliance with government regulations of the

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Environmental Agency has a significant positive impact, namely the realization of environmental conservation, ecosystem sustainability, and harmony with nature, which encourages sustainable development and protects society from pollution and environmental damage. This impact includes the protection of genetic resources, the survival of living things, and the creation of environmentally conscious people and environmental stewards, green accounting or environmental accounting, is an accounting approach that integrates a company's environmental and social impacts into financial statements to measure and manage business sustainability. The goal is to make more environmentally responsible economic decisions, producing reports that focus not only on profitability but also on environmental costs and benefits.

2. Literature Review

According to Accounting & Inevitability (2019), hotels incur several environmental costs to reduce the risk of pollution and environmental damage. Externally, no party feels disadvantaged by hotel operations. Going forward, it is hoped that hotels will be more environmentally conscious.

According to Artani (2019), differences in environmental responsibility, involvement in protecting the environment, environmental accounting reporting, and environmental audits exist between local and international chain hotel management. This study provides an understanding of the differences between the application of green accounting in local and international hotel chain management, something that, to the best of our knowledge, has never been investigated previously, especially in the hospitality business in Indonesia. In a study by Putra & Bagiastuti (2022), hotels that have implemented green accounting have a positive impact on the surrounding environment. The implementation of green accounting can encourage hotel management to be more concerned with environmental issues. The interaction between green accounting and hotels can create more active human resources in efforts to develop sustainable programs. According to Mahayani & Armoni (2023), green accounting is the process of recognizing, measuring the value, recording, summarizing, reporting, and disclosing information on transactions, events, or the impacts of a company's economic, social, and environmental activities on society and the environment, as well as the company, which is outlined in an integrated financial report. This report is useful for making appropriate company decisions for the future. Green accounting also contains several principles, such as the sustainability principle, the asset recognition principle, the liability recognition principle, the matching principle in measuring cost-benefits, the integrated accounting process principle, and the integrated reporting and disclosure principle of accounting information.

In the research of Karta & Budarma (2023), an environmentally-based transaction model has been implemented using two approaches: environmental cost approach and environmental detection cost, while external costs related to the environment cannot be explained. Quantitatively, it can be explained that behavior related to recording with the concept of green accounting is in good condition and has a significant impact on hotel programs. According to Rahayu & Yintayani (2022), environmental/natural costs and social environmental costs, the

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next stage of recognition using the accrual basis method, measurement using rupiah units with the realization of the budget that has been determined by the company, in the presentation where these environmental costs have been presented in the income statement.

According to Yana et.al. (2023), green accounting, known as green accounting, can provide an overview of environmental protection by combining environmental benefits with environmental costs such as waste management. Putri (2024) four and five-star hotels in Bali Province have implemented several green technology accounting activities. The third hotel has also incurred some costs in order to reduce pollution and the environment. From the external side, no party feels disadvantaged from the hotel's operational activities. Fadlilah & Tenriwaru (2024) economic ideas that make the transition to a green economy a global goal are a concept in the field of economics. with the aim of improving the economy and increasing people's welfare without causing damage to the environment. Therefore, to support the welfare and justice of market players, the concept of a green economy is needed. Providing opportunities for the domestic sector to improve the Indonesian economy.

3. Research Method

The case study method is a suitable strategy to answer research questions related to how or how and why or why According to Yin (2009) the case study research method is an appropriate strategy to use in research that uses the main research question how or why, the researcher has little time to control the events being studied, and the focus of the research is contemporary phenomena, to track contemporary events. In the case study method, researchers focus on the design and implementation of the research This study uses qualitative research because researchers feel that the phenomena being studied require in-depth understanding with the case study method (Yin, 2009). Researchers conducted visits to 3-star and 4-star hotels on Anyer Beach, direct surveys or direct observations of hotel activities on Anyer Beach, to find out how green accounting is applied to hotel operations. Interviews were conducted in-depth and semi-structured.

4. Finding and Discussion

Researchers requested data from PHRI Banten Province City, not all hotels use and study IPAL, so that the waste produced reaches more than the threshold so it cannot be called a green hotel. Indonesia's weaknesses are tourism service infrastructure, health and hygiene, and environmental sustainability, the three indexes are a joint task between hotel managers and the government to implement the principles of green hotels. This study involved three hotels located in Anyer, Serang Regency, Indonesia based on a qualitative study conducted by researchers who conducted stakeholder interviews wanting a balance to be achieved: the company's economy continues to generate profits with cost efficiency (energy saving, recycling), the natural environment is protected, biodiversity is maintained, human society is formed as individuals who are environmentally conscious and play an active role in maintaining sustainability :

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Table 2. Discussion

Aspect	Corporate Strategy	Economic Impact	Environmental Impact	Social Impact
Cost efficiency	Question : Energy saving (LED, solar panels)	Question: Reducing operational costs	Question: Reducing carbon emissions	Question: People are used to saving energy
	Hotels manage high energy consumption, particularly for lighting, cooling (AC), water heating, and facility operations. Therefore, energy-saving strategies are key to reducing operational costs while maintaining environmental sustainability.	Hotels operate energy- and resource-intensive businesses. The largest operational costs typically come from electricity, water, fuel, laundry, and waste management. To remain competitive and sustainable, hotels need to implement efficiency strategies without compromising service quality.	The hospitality industry is one of the most energy-consuming sectors. Activities such as electricity use (air conditioning, lighting, electronic equipment), water heating, guest transportation, and laundry and kitchen management generate significant carbon emissions. Therefore, hotels need to adopt strategies to reduce their carbon footprint for sustainability.	Developing energy-saving habits is not only important for companies and hotels, but also for society at large. Through education, role models, and policies, communities can be shaped into individuals who are more prudent in using energy resources.
Recycling	Question : Waste management, material reuse	Question : Saving raw materials	Question: Reducing pollution and exploitation of nature	Question: Creating a culture of caring about waste and a circular economy
	Waste management is a key strategy in supporting sustainable business practices. For	Saving raw materials is a crucial strategy for reducing operational costs while maintaining environmental	Minimizing environmental pollution (air, water, and land) and accelerating the exploitation of natural resources. If	Without proper waste management, waste can pollute the environment, increase

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	hotels and businesses, poorly managed waste can cause pollution, increase operational costs, and damage the company's image. Therefore, the reduce, reuse, and recycle (3R) approach is crucial, particularly when it comes to material reuse.	sustainability. Wasteful raw materials not only increase expenses but also accelerate the exploitation of natural resources. With proper management practices, hotels and businesses can reduce raw material use without compromising the quality of their services or products.	left unmanaged, these impacts will threaten biodiversity, human health, and the sustainability of the business itself. Therefore, hotels and companies must implement management strategies oriented towards green accounting and sustainability practices.	operational costs, and damage a company's image. To address this, a circular economy approach is a solution that emphasizes the principles of reduce, reuse, recycle, and reuse of resources to prevent waste.
Nature conservation	Question CSR: reforestation, animal protection	Question: Improving consumer image & loyalty	Question : Habitat biodiversity and are maintained	Question: Community involvement in environmental conservation
	Launching Corporate Social Responsibility (CSR) that focuses not only on social activities but also on environmental aspects. For hotels and companies, CSR programs such as reforestation and wildlife protection are a tangible manifestation of	Building image and customer loyalty are crucial assets for business sustainability. Consumers now judge services not only by comfort and price, but also by a hotel's commitment to environmental and social well-being. Implementing sustainability principles, such as green accounting,	Preserving natural habitats and biodiversity is a key pillar of a healthy ecosystem. In the context of the hospitality and tourism industry, preserving habitats and biodiversity is crucial, as a sustainable environment is both a key tourist attraction and a source of economic sustainability.	Environmental preservation cannot be achieved optimally by companies or hotels alone. The role of local communities is crucial, as they live side by side with nature on a daily basis. Involving communities in sustainability

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	their commitment to sustainability, while also strengthening their positive image among the public and tourists.	energy efficiency, waste management, and corporate social responsibility (CSR), can strengthen a hotel's reputation and foster guest loyalty.		programs creates a sense of belonging, strengthens collaboration, and provides economic, social, and ecological benefits.
Employee education	Question: Green behavior training	Question: Productivity increases	Question: Reducing daily ecological impact	Question: Individuals become agents of sustainable change
	Reducing the negative impact of daily activities on the environment. This behavior includes energy-saving habits, reducing waste, using resources efficiently, and caring for ecosystem sustainability.	Improving productivity is the ability of a company or hotel to produce greater output with the same or fewer inputs. In the context of sustainability, productivity increases not only through operational efficiency but also through the quality of human resources, the work environment, and technological innovation.	Minimizing daily ecological impact refers to the negative effects of everyday human activities on the environment, such as excessive energy consumption, pollution, water contamination, and waste production. If left unchecked, these small habits will accumulate into major problems for the planet's sustainability. Therefore, every individual, community, and company needs to play an active role in reducing ecological impact through simple but consistent behavioral changes.	Thinking about sustainability isn't just the responsibility of governments or large corporations; it's also the role of every individual. With awareness and concrete action, individuals can become agents of change, driving the creation of a healthier environment, a more equitable economy, and a more sustainable society.

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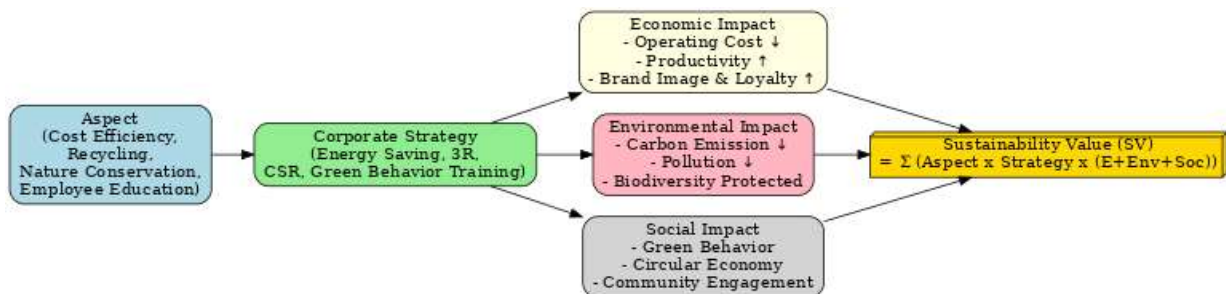
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From the results of the discussion, the researcher can describe the conceptual image of the Formula Model as follows:

Figure 2. Conceptual Framework



Conceptual Model Formula - Sustainability Value

$(SV) = f(\text{Aspect, Strategy, Economic Impact, Environmental Impact, Social Impact})$

$$SV = \sum_{i=1}^n (A_i \times S_i \times (E_i + L_i + So_i))$$

Explanation of Variables

- A_i = Aspect
(e.g., Cost Efficiency, Recycling, Nature Conservation, Employee Education)
- S_i = Corporate Strategy
(e.g., Energy Saving, 3R, CSR, Green Behavior Training)
- E_i = Economic Impact
(e.g., reduced operating costs, improved productivity, enhanced brand image & loyalty)
- L_i = Environmental Impact
(e.g., reduced carbon emissions, biodiversity conservation, reduced pollution)
- So_i = Social Impact
↓
(e.g., energy-saving behavior, circular economy practices, community involvement)

5. Conclusion

Based on the discussion of the results of the analysis of the implementation of green accounting in three- and four-star hotels in Anyer Beach, along with indicators and criteria for the stages of implementing green accounting, researchers can conclude that three-star and four-star hotels in Anyer Beach have implemented recognized environmental costs (environmental costs) — waste management costs, compliance costs, efficiency investments; important for calculating the ROI of green programs, so that the three hotels can be concluded to have implemented green accounting very well. Researchers do not compare these criteria based on the amount of costs incurred by the company, but based on the number of activities for environmental costs. The

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total environmental cost activities assessed based on the amount of costs are not the same between one hotel and another because they are adjusted to the policies, conditions, situations and locations owned by the hotel. Researchers can conclude that the hotel waste management costs, compliance costs, efficiency investments; important for calculating green programs, so that the three hotels can be concluded to have implemented green accounting very well. The environment spent by the hotel is seven activities, so the implementation of green accounting in terms of environmental costs is sufficient. Hotels with the environment and incur certain environmental costs such as waste management costs, purchasing and maintenance costs in order to save energy use and the use of environmentally friendly materials. Environmental cost expenditures incurred by the three hotels are not the same because there are differences in activities carried out by each hotel. These activities are tailored to the hotel's conditions, situation, and location. These environmental costs can serve as a basis for future hotel evaluations, ensuring optimal environmental protection. Externally, the hotel has engaged guests and the surrounding community. Sustainability values have high expectations for complaints, minimizing or eliminating guest or community dissatisfaction with the hotel's treatment of waste. Furthermore, the hotel has engaged guests and the surrounding community by conducting environmental cleanups. All three hotels in this study have created posters or other notices encouraging greater environmental awareness and friendliness, and have also prohibited smoking within the hotel premises.

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