

Social and Environmental Accounting Research: Recent Developments and Future Directions

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Abstract: *Social and Environmental Accounting is the procedure of communicating the social and environmental effects of organizations' economic activities. As such it involves increasing the responsibility of organizations, beyond the conventional role of providing a financial account to the holders of capital. The last years have witnessed an extension in interest in social and environmental affairs. Social accounting aspires have taken place in about total ignorance of the activities and evolutions in non-accounting bodies but today many companies have developed environmental management and accounting systems. This paper provides a perception of the social and environmental accounting in various organisations. Literature review of the papers examining social and environmental matters published in several national and international journals permits the identification of the key matters, methodologies and research questions which have been principal in the social environmental accounting research (SEAR) area. Present Social and environmental matters such as climate change and greenhouse gas discharges affecting the global community. Social accounting is in this sense closely connected to the economic conception of externality. An alternative account of significant economic entities offers by social accounting. It has the potential to uncover the stress between pursuing economic profit and the pursuit of social and environmental purposes. Eventually, some future research directions are recognized and enumerates the scope of further research.*

Keywords: Social and environmental accounting, corporate social Responsibility, Review, future directions

1. Introduction

To describe the impact of business activities on the society Social and Environmental Accounting is often used as an "Umbrella term". It offers a tool for reporting information that enables management to monitor key social and environmental opportunities and warnings facing organization. It is tough to establish the exact date when social and environmental accounting practice began: Although, modern forms of social and environmental accounting first produced widespread interest in the 1970s. It gets to full maturity in 1980 and then in 1990 it became the "talisman of the world".

The objective of this study is to provide an outline earlier research articles published in the top accounting journals permits us to know the content, methodologies and research questions used more often in the social environmental accounting research (SEAR) area. This paper has two particular objectives. Firstly, it provides current developments in social and environmental accounting area. Secondly, it proposes future directions for research.

Under various labels social accounting takes a wide variety of forms and appears. Social and environmental accounting is often used in the context of business, or Corporate Social Responsibility (CSR), although any organization, including NGOs, charities and government agencies may engage in Social and environmental accounting. Above the last decades a extending number of studies that focus on the social and environmental accounting of corporations operating have been published. The preparation, presentation and communication of information related to an organization's interaction with the society and natural environment principally describes as social and

environmental accounting. Regulations for compulsory environment reporting exists in some form e.g., in Denmark, Netherlands Australia, the UK and Korea. In the adoption of environmental accounting practices, the United Nations has been highly involved

The balance of the paper is arranged as follows. In the next section, some information about the emergence of social and environmental accounting. Section 3 discusses some benefits & costs of social and environmental accounting. In section 4 concluding remarks are draw and provides future direction for research in this area.

Emergence of Social and Environment Accounting

Social and Environmental accounting has been usually defined as the "Preparation and publication of an account about an organization social, environmental, employee, community, customer and other stakeholder interactions and activities and, where possible, the consequences of those interactions & activities" (Gray, 2000). While social and environmental accounting has commanded growing notice and acceptance, its development can be seen as a effect of stakeholder forces as well as academic advocacy. Social and environmental accounting, reveals a company's enthusiasm to properly manage its environmental, social and economic effects, hence, establishing a good relation with the stakeholders and demonstrating transparency.

Early research focuses on documenting social and environmental disclosure practices via content analysis (oven 2008). Gray (2002) presents a critical examination of the literature published in social accounting over the last 25 years, with a specific focus on publications in the Accounting, Organization and Social Journal (AOS). He presents an historical retroactive of this subject, reflects on

Volume 10 Issue 2, February 2021

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the dimensions of social accounting and identifies the most prime publications in this area. This study is very rich and presents a critical outlook of the author, dealing with questions such as: the loss of domain of publications by writers from the USA; Critics to this issue made by other authors and potential reasons for the publishing problems. He completes it by saying what he aims for the development of the social accounting project by the next 25 years. An increasing number of current studies seem to have made notable contributions to the social and environmental accounting literature with advices for well- designed further research. Illustrations of such studies include that of Belal & Qwen (2007), Cooper & Owen (2007), Deegan & Blomquist (2006), Herbohn (2005), O'Dwyer & Own (2005), Parker (2005), Durden (2008), Riccaboni and Leone (2010), Hossain (2012), Rahardjo et al. (2013). Agreement among major researchers (see for example Owen 2008, Parker 2005; Gray 2002) can also be seen in their calls for 'engagement-based study' in recent times. Owen (2008) extends the term 'engagement-based study' by advising that researchers also need to engage stakeholder groups in their research dynamism.

Beside this social and environmental accounting research, an increasing number of national and international institutional groups, including governments, industry bodies, the accounting profession, and international bodies have been involved in developing social and environmental accounting standards and linked reports for organizations. Researchers claimed separate frameworks and concepts could integrate social responsibility and stakeholder interests into MCS or performance measurement systems (Rouse and Putterill, 2003; Norries and O' Dwyer, 2004; Lambertson, 2005; Durden, 2008; Riccaboni and Leone, 2010; Arroyo, 2012; Gond et al., 2012; Rahardjo et al., 2013; Rodrigue et al., 2013) in the last decade.

A current, practical case study by Riccaboni and Leone (2010) investigated the role of MCS in executing sustainable plans within Procter and Gamble, a large multinational consumer goods company. The writers called for a wider approach to shift beyond the dominance of corporate social reporting in sustainability research: Social reporting is not sufficient since environmental and social profiles should be incorporated within the planning procedure, policy decisions, and capital allocation and performance analysis. (Riccaboni and Leone, 2010, P. 131)

In addition, Rahardjo et al. (2013) developed the concept of corporate sustainability management to balance organisation financial, social and environmental performance. They proposed five factors, including (1) the obligation of shareholders to encourage management engagement in solving social and environment matters; (2) the power of humanist model acquired by the management; (3) the ability of management to reach higher - level sustainability performance ; (4) the ability of management to figure and run a strong sustainability culture that considers the principles of sustainability ; and (5) the ability of management to build a mutually useful collaboration with the economic stakeholders.

Tregidga, Kearins, and Collins (2019) explore the extent to

which ethical certification and its related labelling affect sustainability results by increasing perception of the social and environmental impacts of products. Design on a comparative case study of two certification plans operating within a single market, the paper problematises ethical certification as a sustainability governance code of practice. Framed through Dean's (2009) analytics of governmentality theoretical opinion, Tregidga, Kearins, and Collins (2019) question anyhow communication through certification of the social/environmental deed of a product impacts the power of the certifier and certified to control the social acceptability of their product.

Johnstone (2019) focus to examine the probable of social environmental accountability to bring about transformational change. The paper uses the case study of a 'strategic knowledge-sharing net' in Sweden, focusing on relational accountability between stakeholders to achieve this aim. Johnstone (2019) illustrates the possible that such relational arrangements can offer to sustainability by focusing at the accountability practices of Swedish organizations through the relationships they hold with the State and each other over several industries and countries. In doing so, the study provides novel insights into how multisector business actors and the state work together to improve the understanding of the translation of national sustainability aims into organizational results.

These articles reveal a very crucial part for the current work, as they allow us to know the historical contributions in social and environmental accounting research. The increasing engagement of recent studies shows that academic interest in social and environmental accounting and disclosure practices has not shrink in recent years, rather they continue to be explored by academics through attempts to determine the rationales undertaking such actions. Hence, research in developing countries is needed because of the huge differences in economic development, culture and technology could affect social and environmental accounting practices. And according to a study published in the CSR insight report, governmental, regulatory, and audit error of sustainability issues will become the rule within five years, in both the developed and developing countries beyond all industries.

Benefits and Costs of Social and Environmental Accounting

We summarize possible benefits and costs of social and environmental accounting in various areas-

Creating Financial Value

This often requires collecting, collating and analyzing data on resources and materials used by the company, and the examination of business processes. This procedure can help an organization to better spotlight their opportunities for cost savings and revenue generation through more systematic use of resources and materials. Economic theories are useful because they make costs and benefits the central foci of the analysis of social and environmental accounting by a managerial perspective.

Attracting long term capital and favorable financing conditions: The sustainability considerations include by the

investors in their decision processes. Through the publication of those reports, a procedure is provided to secure that the proper communication is established with this stakeholder group. Investors tend to take into account that their investments are profitable but also views as environment and social issues weigh in the balance.

Lower transaction costs for stakeholders

The reporting organization is behaving in a caring and responsible manner may signal of Social and Environmental accounting and so, provide evidence (hard data) summarization social and environmental activities. This will decrease transaction costs (borne by stakeholders): e.g., expenses related with the observing and searching for signifiers of corporate responsibility and promise keeping. Stakeholders that declare a right to know about organizations social and environmental activities would have to expend much more time searching for this information if SEA data were unavailable. For example, stakeholders would have to interview competitors and suppliers or expend money on undercover data collection. In another words, the transaction costs for stakeholders may also lower because SEA can serve as a market signal.

Creating of Reinforcement of Organization's image

The most visible part of an organization is the reputation of a firm though being intangible. Convey an image where environmental, social and economic issues are taken into account, may bring stakeholders to good approaches and in doing so, help to increase the corporate reputation, leading to a rise in the value of the firm. Still might to position the company as 'employer of choice', so motivate and keep the existing staff and attract the talented potential ones.

Reporting company may gain competitive advantage

A signaling tool like social and environmental accounting represents a differentiating (rather than mimetic or homogenizing) feature via which the reporting company may gain competitive advantage. In the similar method as a degree of higher education may signal job applicants' intelligence, work motivation, or productivity, SEA can signal an organisation's liability to corporate citizenship. Oppositely, insofar as managers know what kinds of signals are used by stakeholders under circumstances of information uncertainty, they may be tempted to "Fake" signals, so that the signals do not rationality separate responsible and irresponsible organizations (Spence, 1974). For instance, many outsiders misunderstand Enron's faking of social responsibility for authentic corporate responsibility.

Encourage Innovation

This concept may help companies to find new ways to achieve a good performance, efficient productivity and stimulate edge thinking. For example: developing new products by understanding the specific stakeholders' concerns, needs and expectations. The adverse publicity or criticism leveled by hostile media and voluntary social organisations that counters

2. Conclusion

In this paper, we suggest that future research on social and environmental accounting requires to broaden its horizons,

and increasingly attract with hitherto under-represented geographic regions and the varying institutional structure that prevail within them. There are some directions for future research that could be further explored to investigate the roles of accounting for social and environment and a few suggestions for future research in this sector are the following.

To assist the initiatives taken by the central and state governments is saving our environment, social, academia and political organizations must appreciate their responsibility and enlarge an all-round support. By concerned organizations must also discharge this social responsibility with true spirit.

To inspire research on dissimilar measures to be taken to solve environmental and social issues. In this area Govt. must fund projects on priority basis. Fines and penalties, environmental and social liabilities, environmental provisions, and environmental costs capitalized should be appear in the annual reports.

To keep pace with the sustainability there is an urgent necessity of generally accepted social and environmental accounting standards.

The scope of analysis among research projects in social and environmental accounting requires to be expanded beyond individual organisations to include. for example, the role of accounting professional and professional services firms should be more widely.

New example of social and environmental accounting research may occur away from business organisations and market formation. Contexts like non-governmental organisation (NGOs), Public Sector Organisations (PSOs), co-operatives and other forms of hybrid organization could provide valuable perception.

Further research could add to these contributions by developing further in-depth theoretical knowledge of social and environmental accounting research matters. Given the considerable breadth and depth of difficulty underlying the role of accounting for social and environmental accounting research, further development of accounting research would gain from a greater theorised engagement.

We wish that because of this paper encourages academic debate in this area and that new forms of thinking about social and environmental accounting can appear. The only/single responsibility of corporations is now broader than economic based performance, organisations are now required to be socially and environmentally responsible. Within the context of both developed and developing countries a growing body of scholars is focusing on various social and environmental issues. The implementation of social and environmental accounting doesn't represent a guaranty for acquiring financial performance or environmental/social-related performances. This paper urges accounting researchers to be more aspiring and contribute to the development of this area. The expand in publications in the last few years, the huge number of outlets and researchers involved and the broad range of perspectives,

considering all of these points, there is wide range to advance social and environmental accounting research.

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