

Environmental Management Accounting Adoption Barriers among Malaysian Hotel Companies

Nirman Noor Afiqi Mat Yusoh, Tuan Zainun Tuan Mat*

Faculty of Accountancy, Universiti Teknologi MARA Selangor, Kampus Puncak Alam,
Selangor, Malaysia

21zainun@gmail.com

ABSTRACT

Environmental management has become a main concern to the hotel industry with regards to waste reduction, energy savings and water conservation. The hotel industry is frequently accompanied by many adverse environmental impacts as hotel companies extensively consume large amounts of energy, water and non-durable products. Environmental Management Accounting (EMA) is tools that can be used to assist these companies to trace, collect, and analyse physical and monetary environmental information for decision-making purpose and consequently, improves financial and environmental performances. However, there are barriers to EMA adoption. This study aims to examine level of EMA adoption among the hotel companies and the barriers influencing EMA adoption. This study utilises the quantitative research design; using questionnaire survey. A total of 212 usable questionnaires were collected from the hotel companies in Selangor and Kuala Lumpur. Multiple regression analysis was conducted for hypotheses testing. The results of this study show that EMA has yet to be extensively adopted among the hotel companies in Malaysia. The result also shows that the adoption level of both Physical EMA (PEMA) and Monetary EMA (MEMA) are still low. The result further indicates that the low adoption of EMA is caused by the lack of institutional pressures. Specifically, this study shows that financial barrier, informational barrier and institutional barrier significantly influence EMA adoption among the hotel companies in Malaysia. This study is significant to the hotel managers, government authorities and environmental regulatory agencies in understanding the level of EMA adoption in the Malaysian hotel industry. In addition, this study provides valuable contributions to the existing literature by providing useful insights on the barriers influencing EMA adoption in the hotel industry in developing countries.

Keywords: Environmental Management Accounting (EMA), physical EMA, monetary EMA, adoption barriers, hotel industry.