

Environmental Management Accounting Practices and Policies within the Higher Education Sector: An Exploratory Study of the University of KwaZulu Natal

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Abstract : Universities have a role to play in the preservation of the environment, and the study attempted to evaluate the environmental management accounting (EMA) processes at UKZN. UKZN, a South African university, generates the same direct and indirect environmental impacts as the higher education sector worldwide. This is significant within the context of the South African environment which is constantly plagued by having to effectively manage the already scarce resources of water and energy, evident through the imposition of water and energy restrictions over the recent years. The study's aim is to increase awareness of having a structured approach to environmental management in order to achieve the strategic environmental goals of the university. The research studied the experiences of key managers within UKZN, with the purpose of exploring the potential factors which influence the decision to adopt and apply EMA within the higher education sector. The study comprised two objectives, namely understanding the current state of accounting practices for managing major environmental costs and identifying factors influencing EMA adoption within the university. The study adopted a case study approach, comprising semi-structured interviews of key personnel involved in Management Accounting, Environmental Management, and Academic Schools within the university. Content analysis was performed on the transcribed interview data. A Theoretical Framework derived from literature was adopted to guide data collection and focus the study. Contingency and Institutional theory was the resultant basis of the derived framework. The findings of the first objective revealed that there was a distinct lack of EMA utilization within the university. There was no distinct policy on EMA, resulting in minimal environmental cost information being brought to the attention of senior management. The university embraced the principles of environmental sustainability; however, efforts to improve internal environmental accountability primarily from an accounting perspective was absent. The findings of the second objective revealed that five key barriers contributed to the lack of EMA utilization within the university. The barriers being attitudinal, informational, institutional, technological, and lack of incentives (financial). The results and findings of this study supported the use and application of EMA within the higher education sector. Participants concurred that EMA was underutilized and if implemented, would realize significant benefits for both the university and environment. Environmental management accounting is being widely acknowledged as a key management tool that can facilitate improved financial and environmental performance via the concept of enhanced environmental accountability. Historically research has been concentrated primarily on the manufacturing industry, due to it generating the greatest proportion of environmental impacts. Service industries are also an integral component of environmental management as they contribute significant environmental impacts, both direct and indirect. Educational institutions such as universities form part of the service sector and directly impact on the environment through the consumption of paper, energy, and water and solid waste generated, with the associated demands.

Keywords : environmental management accounting, environmental impacts, higher education, Southern Africa

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