

CHAPTER V

CONCLUSIONS AND SUGGESTIONS

A. Conclusion

The following conclusions were obtained according to research on the impact of green accounting and CSR regarding profitability, with environmental performance as a moderating variable, in manufacturing companies on the IDX for the 2019-2023 period.

1. Green Accounting have a positive effects on profitability. Companies that integrate environmental accounting practices tend to experience improved operational efficiency and investor confidence, which in turn contributes to higher profitability.
2. Corporate social responsibility have a negative effects on profitability. This indicates that while CSR is considered important, its impact on profitability is not always immediately apparent and may be influenced by other variables, such as how companies communicate CSR initiatives to stakeholders.
3. Environmental performance cannot reduce the influence of green accounting on profitability. This indicates a lack of commitment to implementing effective green accounting.
4. Environmental performance cannot reduce the influences of corporate social responsibility on profitability. This signals the importance of better

integration between CSR initiatives and environmental practices to achieve the desired results in profitability.

B. Research Implication

1. Theoretical Implications

The results of this study make an important contribution to the development of accounting theory, especially in the context of green accounting and corporate social responsibility (CSR). This study shows how the integration of environmental aspects in financial statements and CSR activities can affect corporate profitability, and strengthens the understanding of the role of environmental performance as a moderating variable. Thus, the results of this study enrich the academic literature by providing recent empirical evidence that can be used as a basis for further research in the field of sustainability accounting and environment-based strategic management.

2. Practical Implications

a. For Companies

This research provides practical insights for companies on the importance of implementing green accounting as part of a sustainable business strategy. By accounting for environmental costs and impacts in the accounting process, companies can identify less efficient areas and reduce long-term operational risks. In addition, companies that actively demonstrate environmental and social

responsibility have the potential to enhance reputation, attract environmentally conscious investors, and ultimately increase profitability through consumer loyalty and cost efficiency.

b. For Investors

For investors, the findings of this study confirm the importance of considering aspects of environmental performance and CSR in the investment decision-making process. Companies with a strong commitment to sustainability exhibit better risk management and more stable long-term prospects. Therefore, investors can use CSR and green accounting indicators as positive signals in selecting portfolios that are not only financially profitable, but also contribute to sustainable development goals.

c. For Regulators

The findings of this study can serve as a reference for regulators in evaluating and developing more effective policies related to environmental accounting and CSR reporting. Regulations that support transparency and accountability for sustainability practices will encourage more companies to implement high environmental standards. With the right regulatory support, the government can create a sustainability-oriented business ecosystem without compromising the competitiveness of the national industry.

d. For the Community

For the general public, the results of this study serve as an educational tool to understand the importance of corporate accountability and transparency in protecting the environment. With increased public awareness of sustainability issues, the public can be more critical in evaluating CSR by companies. This encourages the public to become active actors in social monitoring and strengthens the demand for ethical and environmentally friendly business practices.

e. For Academics

For academics, this study provides relevant and up-to-date empirical references to develop theories in the field of environmental accounting and CSR. By including environmental performance as a moderating variable, this study opens up opportunities for further studies related to the mechanisms and conditions that affect the effectiveness of green accounting and CSR on profitability. Academics can also develop further research models by adding other factors such as company size, industry type, or local regulations.

C. Research Limitations and Suggestions

This study has a number of limitations that need to be considered. The focus of the study is limited to manufacturing companies listed on the Indonesia Stock Exchange (IDX) during the 2019-2023 period, so the

findings cannot be generalised to other industrial sectors. In addition, although the results show that environmental performance has an influence on profitability, this variable is only used as a moderator and has not been further explored as an independent or mediating variable. Ratmono et al (2024) indicated that environmental performance can act as a mediator in the relationship between green accounting and CSR, and has the potential for direct and indirect impacts on corporate profitability through sustainability strategies.

Future research is recommended to raise environmental performance as an independent variable or mediator to reveal its contribution more deeply to profitability. This approach can also strengthen the theoretical relationship between green accounting, CSR, and profitability, as suggested Sarfraz et al (2023), that environmental performance plays a mediating role in the relationship between CSR and profitability. In addition, given the low coefficient of determination in this model, future research is also recommended to consider control variables such as firm size, leverage, and firm age to improve the accuracy of the model (Tjoa & Widianingsih, 2023) and (Aziz et al (2023) Thus, explicit hypothesis formulation regarding the role of environmental performance needs to be developed so that it can be empirically tested in a broader and more relevant context.