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THE EFFECT OF GREEN ACCOUNTING, COMPANY CHARACTERISTICS, OWNERSHIP STRUCTURE, AND GCG ON THE COMPANY'S PERFORMANCE IN THE STEEL SUB-SECTOR LISTED ON THE IDX

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ABSTRACT

This study investigates the relationship between the use of Green Accounting, company characteristics, ownership structure, and the implementation of Good Corporate Governance (GCG) with company performance in the steel sub-sector on the Indonesia Stock Exchange (IDX). The research method uses a quantitative approach by collecting data from companies in the steel sub-sector listed on the IDX. The main variables considered in this study are Green Accounting practices, company characteristics, ownership structure, and factors related to the implementation of GCG. The results showed no significant effect on all hypotheses used
Keywords:* *Green Accounitng, Company Characteristics, Ownership Structure, GCG, Company Performance

INTRODUCTION

The development of green accounting is becoming increasingly important along with increasing awareness of environmental and sustainability issues. Many companies and governments are beginning to pay attention to environmental values in business decision-making and public policy. In practice, green accounting involves the development of measurement methods that can take into account ecological values, sustainable use of natural resources, and the social impact of economic activities. The goal is to provide stakeholders with more holistic and comprehensive information, so that they can make more environmentally and socially sustainable decisions. The green accounting approach aims to measure not only the financial health of an entity, but also its impact on the environment and society. This includes the evaluation of the use of natural resources, waste produced, pollution emissions, and the social effects of economic activities.

Green accounting can have an effect on or affect the company's performance. Corporate performance is a measure of how well an entity or organization achieves its strategic goals. It includes the evaluation of various aspects of performance, such as financial, operational, social, and environmental. The company's performance assessment does not only focus on financial

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achievements, but also considers social, environmental, innovation, and sustainability impacts. The evaluation of a company's performance has become more important for stakeholders, including owners, investors, employees, the government, and the general public. This helps in strategic decision-making, risk management, increased efficiency, and creates long-term value for the company. A holistic approach in evaluating a company's performance not only considers financial returns, but also assesses its impact on the environment, society, and other stakeholders. Companies that manage their performance well usually strike a balance between strong financial achievement and a positive impact on the environment and society.

GCG or Good Corporate Governance refers to a set of principles, practices, and procedures that govern and oversee how a company or entity is run. The main goal of GCG is to ensure that the company is managed transparently, responsibly, fairly, and in accordance with the interests of all stakeholders or stakeholders. The implementation of GCG is not only a prerequisite to meet the standards of laws and regulations, but also a foundation for building trust and reputation of the company. Companies that implement good GCG practices tend to be more attractive to investors, have better performance, and are able to maintain better relationships with the community and the surrounding environment.

From the background that has been explained above, the formulation of the problem can be drawn, namely:

1. Does green accounting have an effect on the characteristics of the Company?
2. Does the ownership structure have an effect on the characteristics of the Company?
3. Does green accounting affect the Company's performance?
4. Do the characteristics of the Company affect the Company's performance?
5. Does the ownership structure affect the Company's performance?
6. Does GCG affect green accounting and the Company's performance?
7. Does GCG affect the characteristics / Company and the Company's performance?
8. Does GCG affect the ownership structure and performance of the Company?

Research Objectives From the formulation of the problem above, it is clear that the objectives of this research are as follows:

1. To ascertain how green accounting affects organizational features
2. To ascertain how ownership structures affect organizational features
3. To find out how green accounting affects business performance

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4. To ascertain how a company's attributes affect its performance
5. To ascertain how ownership structures affect organizational operations
6. To find out how GCG affects green accounting and business results.
7. To find out the relationship between performance and quality of the company
8. To find out the relationship between ownership structure and business performance

LITERATUR REVIEW

Green Accounting

Green accounting, also known as environmental accounting, is a component of the accounting environment that reflects profits both inside and outside the organization, according to Fadillah, Widyowati, and Nasution (2023). Environmental accounting assists company executives in setting prices, managing costs, and determining capital expenditures. Environmental accounting is also used to provide environmental information to the public and financial institutions for non-corporate purposes.

Green Accounting, also known as environmental accounting, developed as a result of management accounting's neglect of environmental impacts and financial consequences (Bahri, 2020). The field of accounting known as "environmental accounting" focuses solely on environmental issues. Environmental management accounting (AML) and environmental financial accounting (EFA) are the two main categories of environmental accounting, as are accounting. ECAs are used for external reporting in published annual reports or in unit environmental reports. Accounting standards have an impact on AML regulations. For example, expenses for environmental cleanup and other environmental costs associated with a company's operations are often included in the financial statements of traditional entities.

AML is an accounting technique that considers the financial impact of environmental activities, including investments, the implementation of environmental protection costs, and costs associated with compliance with the law. To meet the business requirements of the organization, expenses are allocated and monitored. The goal of AML is to implement corrective management strategies to reduce environmental costs and consequences, thus making it an instrument of cost control and environmental management that can affect environmental and economic performance.

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Company Performance

Business performance is the overall state of business conditions at a certain time, a product or achievement that is influenced by business operational activities in utilizing available resources. Performance or efficiency is defined as the level of achievement in the implementation of a program of activities or policies in realizing the organization's goals, goals, visions, and missions contained in the organization's strategic planning (M. Abdullah, 2014 in Galib & Hidayat, 2018).

Productivity is the result of the amount and quality of work produced by individuals who perform certain important activities. Maintaining maximum performance is essential for companies in a commercial environment. Business efficiency, on the other hand, refers to an organization's capacity to meet goals through the effective and efficient use of its resources. Therefore, it is crucial for companies to keep track of their performance to ensure that their business operations run smoothly (Anggakara, 2022).

Company Characteristics

Company characteristics Sidharta and Christanti (2007) in (Permanasari & Suhardjanto, 2015) define company characteristics as attributes or characteristics inherent in a business entity and can be observed from various perspectives, such as the type of company or industry, ownership structure, level of liquidity, level of profitability, and size of the company. As defined by the Great Dictionary of Indonesian (2006), characteristics are distinctive traits that distinguish something (or someone) from others. Specificity describes the characteristics of different individuals.

Ownership Structure

The shareholding structure refers to how the shares of a company are owned and distributed among shareholders. There are several common shareholding structures, including:

1. Individual Shareholders: Shares are owned by a single individual or a group of individuals directly. They can become the founders of the company or buy shares in the company.
2. Public Company: The company owns shares that are traded on the open stock market. The company's shares can be owned by a variety of individual and institutional investors.
3. Private Companies: Shares are owned by a group of individuals, families, or private institutions. These shares are not traded on an open stock exchange.

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4. Institutional Shareholders: Entities such as pension funds, insurance companies, or large investment funds hold shares in the company as part of their investment portfolio.
5. Government Ownership: In some countries, the government may own shares in certain companies as part of greater ownership or control over key industries or strategic companies.
6. The shareholding structure can have a major impact on a company's decision-making, dividend distribution, and control over the company's management.

GCG

In his publication (Syofyan, 2021). The Cadbury Committee defines GCG as a management strategy that aims to achieve a balance between the strength and authority of the organization and its obligations to interested parties. GCG is defined by the Organization for Economic Cooperation and Development (OECD) as a framework for managing and directing a company's business operations. The allocation of responsibilities, rights, and obligations among stakeholders, such as shareholders, the board of directors, and other members of the company, is governed by corporate governance.

According to the World Bank, GCG is a collection of several laws, regulations, and guidelines that companies must comply with to maximize the use of resources and provide long-term economic sustainability value for stakeholders and the wider community. Meanwhile, Siswanto (2005: 5) mentions five main objectives of GCG:

1. Safeguarding the interests and rights of shareholders.
2. Safeguarding the interests and rights of stakeholders who are not shareholders.
3. Increase business and shareholder value
4. Improving the performance of the Board of Directors and Board of Commissioners
5. Strengthening the relationship between the Supervisory Board and the Board of Directors and the Supervisory Board itself.

GCG is a technique and framework used to guide and manage companies and corporate operations to improve business growth and corporate responsibility, according to the Financial Commission for Corporate Governance in Effendi (2009). Meanwhile, GCG has four main principles: (1) transparency, (2) accountability, (3) independence, and (4) fairness and equality, according to the general rules of Indonesian GCG, which are referred to in Solihin (2009).

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HYPOTHESIS

From the descriptions that have been explained above and based on the applicable grand theory, the following hypotheses can be concluded:

H1 = Green accounting has an effect on the characteristics of the Company

H2 = Ownership structure has an effect, on the characteristics of the Company

H3 = Green accounting has an effect on the Company's performance

H4 = Company Characteristics are influential, affecting the Company's performance

H5 = Ownership structure affects the Company's performance

H6 = GCG and green accounting affect the Company's performance

H7 = GCG and the Company's characteristics affect the Company's performance

H8 = GCG and ownership structure affect the Company's performance

RESEARCH METHODOLOGY

This study uses quantitative descriptive techniques. The population involved in this study includes all metal sector companies indexed by the IDX in 2019-2022. The statistics used in this study are secondary statistics obtained from fluctuations in Indonesian inventories in the form of annual economic reports of each company in the metallurgical sector and registered with the Ministry of Environment in the 2019-2020 period. The number of companies sampled was 5 companies. The variables used were green Accounting (X1), Organizational Characteristics (X2), Ownership Structure (X3), GCG (X4) and Organizational Performance (Y1). Statistical processing is supported using smart PLS.

RESULTS AND DISCUSSION

The value in the path coefficient estimation, or path coefficient value, is used to test the hypothesis. Specifically, the statistical t-value is compared to the t-value of the table. If the statistical t-value is greater than the t-table (1.67), then the hypothesis will be accepted. Examining the significance value of the p-value in relation to the error rate of the study for a one-sided test with an alpha of 5% (0.05) is another method that can be used to assess the feasibility of a hypothesis. The hypothesis is supported if the p-value is less than 0.05. Table 1 below displays the estimation findings for the path coefficient analysis:

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Tabel 1. Nilai *Path Coefficients*

Variabel	Original Sample	T Statistik	P Values	Keterangan
Karakteristik perusahaan -> kinerja perusahaan	0.712	0.410	0.682	Tidak Signifikan
Green accounitng -> karakteristik perusahaan	-0.716	1.581	0.132	Tidak Signifikan
green accounitng -> kinerja perusahaan	0.710	1.229	0.219	Tidak Signifikan
Struktur kepemilikan -> karakteristik perusahaan	0.304	1.088	0.277	Tidak Signifikan
Struktur kepemilikan -> kinerja perusahaan	0.454	0.871	0.384	Tidak Signifikan
GCG x green accounting -> kinerja perusahaan	-0.073	0.085	0.932	Tidak Signifikan
GCG x karakteristik perusahaan -> kinerja perusahaan	0.513	0.315	0.753	Tidak Signifikan
GCG x struktur kepemilikan -> kinerja perusahaan	0.063	0.154	0.878	Tidak Signifikan

1. **The Impact of Company Features on Performance**

   The t-value of the t-statistic (0.410) > the t-table (1.67) and the value of the path coefficient of 0.712, as well as the p-value value of > 0.05 or 0.682 > 0.05, indicate that there is no relationship between the attributes of the company and performance. In a situation where a company's positive attributes have little effect on how well it performs. According to research, there is no correlation between the success of a company and its quality (Fitrarahmasari, 2020).

2. **The Influence of Green Accounting on Organizational Features**

   The t-value of the calculation (1.581) < the t-table (1.67) and the value of the path coefficient of -0.716 and the p-> value of 0.05 or 0.132 > 0.05 showed that there was no significant influence of green accounting on the characteristics of the company. Green accounting has little impact on a company's success, despite having a good environmental prevention cost.

3. **Green Accounting on Company Performance**

   The t-value of the calculation (1.229) < the t-table (1.67) and the value of the path coefficient of 0.710 and the p-> value of 0.05 or 0.219 > 0.05 indicate that there is no significant influence of green accounting on the company's performance. When a company has excellent quality, it doesn't matter how well the company performs. Research supports this (Widyowati & Damayanti, 2022). Previous research has shown that this lack of influence is due to the majority of sample companies receiving Blue ratings, which indicates that they only comply with applicable regulations and do not apply additional environmental performance principles such as environmental management, efficient use of materials, and appropriate social responsibility initiatives. In addition, the PROPER rating is not included in the company's sustainability report or annual report, thus hindering

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the public and stakeholders' understanding of these results and hindering the company's potential to build its reputation. These findings show that stakeholders and the general public have not benefited from the association's efforts to keep environmental conditions in line with their expectations, thus hindering them from persuading partners and the general public to invest in the business.

4. **The Effect of Ownership Structure on Company Features**

   The t-statistical value (1.088) < t-table (1.67) and the path coefficient value of 0.304, as well as the p-> value of 0.05 or 0.277 > 0.05, show that the ownership structure has no effect on the characteristics of the company. While the ownership structure has a positive impact, it has no relationship with business attributes.

5. **The Influence of Ownership Structure on Business Performance**

   The value of t-calculation (0.871) < t table (1.67) and the value of the path coefficient of 0.454 and the value of p-> 0.05 or 0.384 > 0.05 show that the ownership structure has no effect on the company's performance, where the ownership structure has no effect on the company's performance, although it has a positive effect. This is consistent with research (Andarsari, 2021) which found that there is no relationship between ownership structure and business success.

6. **The Impact of Green Accounting and GCG on Business Performance**

   The t-statistical value (0.085) < t-table (1.67) and the path coefficient value of -0.073 and the p-> value of 0.05 or 0.935 > 0.05 indicate that there is no significant influence of GCG and green accounting on the company's performance. Meanwhile, green accounting and GCG which have good handling costs have no effect on the company's success.

7. **The Impact of GCG and Organizational Features on Performance**

   The t-statistical value (0.315) > t-table (1.67) and the path coefficient value of 0.513 and the p-> value of 0.05 or 0.753 > 0.05 show that there is no relationship between GCG and company characteristics and company performance, where company performance is not affected by GCG and good company attributes.

8. **GCG and Ownership Structure on Company Performance**

   When the t-statistical value (0.154) > t-table (1.67) and the path coefficient value is 0.063, the p-value > 0.05 or 0.878 > 0.05 indicates that there is no relationship between GCG and company attributes and company performance. Although in reality, GCG and a good ownership structure have no effect on the company's success.

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CONCLUSIONS AND SUGGESTION

Conclusion

These findings show the validity of each of the following hypotheses: (H1) Green accounting has an effect on the characteristics of companies; (H2) The ownership structure affects the characteristics of the company; (H3) Green accounting affects the company's performance; (H4) Company characteristics affect company performance; (H5) The ownership structure affects the company's performance; (H6) GCG and green accounting affect company performance; (H7) GCG and company characteristics affect company performance; and (H8) GCG and ownership structure have an effect on the company's performance, both of which have no significant effect.

Suggestion

To further examine the variables that are not discussed in this study, researchers can then add variables such as environmental disclosure, corporate social responsibility (CSR) disclosure, and others. Expanding the research area is another option for researchers.

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