DETERMINANTS OF GREEN ACCOUNTING PRACTICES AMONG THE BANKING ENTITIES IN SRI LANKA

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The Project Report

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ABSTRACT

Green accounting practices are essential for every organization. While many studies have investigated sustainability reporting, CSR activities, environmental accounting based on the environmental sensitive sectors there is a dearth of research based on the finance sector in Sri Lanka. As banking entities are non-sensitive the objective of this study is to measure the level of Green Accounting Practices among the Banking Entities in Sri Lanka. GRI standards under the economic, social and environmental dimensions were used to measure the level of green accounting practices. Further level of green accounting practices is different from company to company and there may be some factors which are affecting to this variation. Hence this study analyze the selected variables which are firm age, firm size, leverage and net income to identify the determinants of green accounting practices level among the banking entities in Sri Lanka. Based on the availability of information the selected samples size is 12 banks which are licensed under the Central Bank of Sri Lanka included 3 state banks. Disclosure score checklist is used to collect the qualitative data which used to measure the level of green accounting practices from the annual reports for five year period from 2015-2019.

Panel data analysis was used to regression analysis, descriptive analysis, correlations analysis, multiple regression analysis. According to the descriptive analysis, revealed that there is some level of green accounting practices among the banking entities over five year period which showed average of 44 %. Based on the result of correlation analysis, level of green accounting practices showed a significant weak positive relationship with leverage and it showed significant strong positive relationship with the firm size, strong positive relationship with net income. The level of green accounting practices showed insignificant weak negative relationship with the firm age. As per the regression result there are significant positive effects of firm size, leverage and net income on green accounting practices while there is insignificant negative effect of firm age on green accounting practices among the banking entities.

Based on the results, researcher recommends maintaining the very great level green accounting practices among the banking entities by considering factors that affecting to the level of green accounting practices. Therefore engaged with more on green accounting practices will be help to get advantages in the short term or long term.

Keywords: Green Accounting, GRI standards, Panel Data Analysis

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