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Analysis of Accounting Students' Awareness and Preference toward Environmental Information in Financial Statements: An Experimental Study in Higher Education Environment

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ABSTRACT

The purpose of this study is to evaluate the impact of accounting education material with an environmental focus on students' awareness of environmental information. Additionally, this study aims to measure to what extent this awareness affects students' preferences for including and processing environmental information in financial reports produced by companies. This research is quantitative in nature, using primary data sourced from direct distribution of questionnaires to respondents, with a Likert scale for measurement. The population used in this study consists of final-year accounting students from several universities. Data collection in this study employs purposive sampling to select the sample, yielding 120 samples. The data analysis method used in this research involves the IBM SPSS 25 software with various tests. The study results indicate that accounting students' awareness has a significant impact on environmental information in financial reports, while accounting students' preferences have a significant impact on environmental information in financial reports.

Keywords : Accounting Student Awareness, Environmental Information Preferences, Sustainable Finance Statements

1. INTRODUCTION

This research aims to evaluate the impact of accounting education material with an environmental focus on students' awareness of environmental information. Additionally, this study will measure to what extent this awareness affects students' preferences for including and processing environmental information in financial reports produced by companies. Previous research has often focused on the impact of sustainability education in accounting curricula on students' knowledge and future professional attitudes toward sustainability. A study conducted by Chang & H, (2022) indicated that despite an increase in integrating sustainability material into accounting programs, there remains a considerable gap in students' knowledge and awareness of environmental issues. Additionally, research by Thompson et al., (2023) revealed that students' preferences for environmental information in financial reports are often more influenced by external factors such as media coverage and awareness campaigns than by their formal education.

Although there is research examining the impact of sustainability education on accounting students' awareness and actions, there remains a lack of studies directly linking this awareness to their preferences regarding financial reports that specifically include environmental information. Additionally, there is limited research assessing the effectiveness of accounting curricula in shaping

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students' abilities to analyze and evaluate environmental information within the scope of finance and accounting.

Based on this objective, the research question to be answered is: "Does the awareness and preference of accounting students influence the inclusion of environmental information in financial reports?" This question aims to determine whether accounting students with a higher awareness of and preference for environmental aspects are more inclined to pay attention to environmental information in a company's financial reports. The results can help identify to what extent the awareness and preference of accounting students regarding environmental issues might impact accounting education and influence corporate decisions to report environmental information with greater transparency and detail.

2. LITERATURE REVIEW

Level of Awareness among Accounting Students
The awareness of accounting students regarding environmental issues has become a critical subject in accounting literature and sustainable education. As future accountants, their understanding of environmentally supportive accounting principles and their awareness of environmental concerns can significantly influence the career choices they make (Ariyani & Jaeni, 2022). Existing research emphasizes the importance of accounting students understanding environmental issues. This study explores students' understanding of the effects of business activities on the environment and the importance of reporting environmental issues in financial statements. Therefore, it is crucial for accounting education to continue incorporating environmental issues into the curriculum to enhance students' awareness and understanding of the environmental challenges faced by companies and the accounting profession (R & M, 2021).

A relevant study by Smith et al., (2020) revealed that accounting students generally exhibit greater awareness of environmental issues when they take courses that teach sustainable accounting concepts. Meanwhile, research by Szeberenyi et al., (2022) found that although students are dedicated to environmental awareness, the practical application of this commitment has yet to fully manifest in tangible outcomes.

Accounting Students' Preferences
The preferences of accounting students reflect their tendencies, interests, and choices across various aspects related to accounting education and careers. This encompasses their interest in specific courses, desired career paths, preferred accounting technologies, and accounting approaches they find most relevant or engaging. Understanding accounting students' preferences can offer insights into how educational programs and the accounting industry can adapt to meet the needs and expectations of the next generation of accounting professionals(Zhafira et al., 2020).

Reforms in accounting education are crucial for training professionals who are prepared to tackle future challenges related to sustainability and environmental issues (Chen & Suh, 2023). Several factors influence accounting students' propensity to prioritize environmental information, including exposure to environmental issues through various media, their personal concern for

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sustainability, and their perception of the importance of environmental issues in their future accounting careers. Furthermore, the inclusion of real-world environmental projects or case studies in the curriculum also contributes to students' appreciation of the significance of environmental information(Smith & Taylor, 2021).

Accounting students' preference for the inclusion of environmental information in financial statements reflects the values they uphold and the education they have received. Their interest in environmental information in financial statements represents a relatively new and complex area of research. According to a study by Patel & Davidson, (2024) students who are more aware of environmental issues tend to have a stronger inclination to choose financial statements that clearly include information about the environmental impact of a company's operations. This finding indicates a correlation between the environmental education that students receive and their desire to promote clarity in environmental reporting. The study also shows that interaction with sustainable business practices during their education period enhances this preference.

Environmental Information in Financial Statements

The purpose of presenting environmental information in financial statements is to enhance the effectiveness of environmental management by evaluating environment-related activities from a cost-benefit perspective, as well as to have a positive impact on environmental conservation (Wara et al., 2023). This approach encourages companies to not only focus solely on profit aspects but also to understand their responsibility for the environmental impact of their business operations, including the potential need to allocate resources for environmental remediation activities (Herwastyo, 2021). The role of accountants in supporting sustainable business is becoming increasingly significant(Häußermann et al., 2023). Thus, companies need to present environmental information that provides a comprehensive view of the company's activities, encompassing the value creation process, strategy, risks, potential threats, and opportunities, and also to evaluate business performance based on the strategic objectives that have been established (Agyemang et al., 2021Elshaer et al., 2023)

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Green accounting introduces a new approach in the accounting world, emphasizing that companies should not only prioritize profit but must also understand their responsibility for the environmental impact that may result from their business activities (Al-Dhaimesh, 2020:Andrian & Pangestu, 2022;Wiredu et al., 2023) found that the inclusion of environmental information in financial statements has a significant impact on the decisions made by investors.
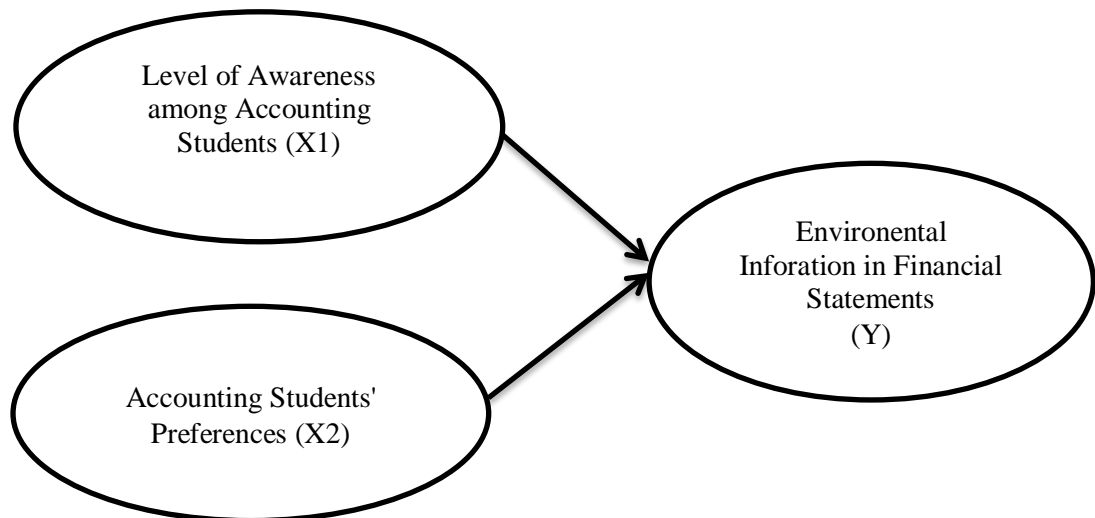

Figure 1. Conceptual Framewor

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3.   DATA AND RESEARCH TECHNIQUE ANALISYS

This research employs a quantitative method to evaluate the relationship between independent and dependent variables. The sample for this study is selected using purposive sampling, which involves gathering data based on specific criteria to ensure the sample represents the population accurately. The population in this research consists of 120 respondents, who are final-year accounting students from several universities. Data is collected by directly distributing questionnaires to the respondents, with measurements using a Likert scale. Data analysis in this study is conducted with the assistance of IBM SPSS 22 software, as SPSS provides more comprehensive information, facilitates easier interpretation of results, and enhances the level of accuracy. This study also encompasses various statistical tests such as:

Descriptive Data Analysis

Descriptive data analysis aims to provide a clear and easily understandable depiction of the data used in the study. Descriptive statistics include measures such as the mean, median, mode (the most frequently occurring value), standard deviation, as well as maximum and minimum values (Madya, 2022).

Data Quality Test
Data quality test encompasses several steps, including:
1. Descriptive Statistics Test
2. Validity Test
3. Reliability Test

Classical Assumption Test
1. Normality Test
2. Heterokedasitas Test
3. Multikolinearitas Tesr

Hypotesis Test
Hypothesis testing is a statistical procedure used to make decisions about the validity of a hypothesis statement based on data obtained from a sample population(Risdayanti et al., 2024). Hypothesis testing includes:
1. Simultaneous (F-Test)
2. Simultaneous (T-Test)

4.   RESULT AND DISCUSSION

The data presented in Table 1 show that the majority of respondents are female, with a total of 69 individuals or 57.5%. Meanwhile, respondents who are male amount to 51 individuals or 42.5%.

Table 1. Percentage of Respondents

Gender	Sum	Percentage
Woman	69	57,5%
Man	51	42,5%

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TOTAL	120	100%

Source: Primary Data Processed (2024)

Data Quality Test

Descriptive Data Analysis Test

Tabel 2. Descriptive Data Analysis Test

	N	Minimum	Maximum	Mean	Std. Deviation
Level of Awareness among Accounting Students	120	10	16	12,53	1,582
Accounting Students' Preferences	120	11	16	14,03	1,312
Environental Inforation in Financial Statements	120	10	16	12,94	1,380
Valid N	120				

Source: Primary Data processed with SPSS 22, 2024

Accounting Students' Awareness (X1) has values ranging from 10 to 16, with an average of approximately 12.53 and a standard deviation of 1.582. This average indicates that, overall, the awareness of accounting students can be considered high. Meanwhile, Accounting Students' Preferences (X2) have a minimum value of 11 and a maximum value of 16, with an average of about 14.03 and a standard deviation of 1.312. This average value suggests that the level of preference among accounting students is also relatively high.

Environmental Information in Financial Reports (Y) shows minimum and maximum values between 10 and 16. The mean from this data is approximately 12.94 with a standard deviation of 1.380, indicating that the level of environmental information in financial reports is relatively high. Next, classical assumption tests were conducted, including the normality test, multicollinearity test, and heteroskedasticity test, to ensure that the data in this study meet the required classical assumption criteria.

Validity Test

Tabel 3 Results Validity Test

No.	Variable	Instrument code	r Hitung	r Tabel n-2 (120-2=118)	Information
1	Level of Awareness among Accounting Students	X1.1	O,675	0,179	Valid
		X1.2	0,535	0,179	Valid
		X1.3	0,438	0,179	Valid
		X1.4	O,701	0,179	Valid

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2	Accounting Students' Preferences	X2.1	0,230	0,179	Valid
		X2.2	0,229	0,179	Valid
		X2.3	0,215	0,179	Valid
		X2.4	0,280	0,179	Valid
3	Environental Inforation in Financial Statements	Y1	0,325	0,179	Valid
		Y2	0,257	0,179	Valid
		Y3	0,227	0,179	Valid
		Y4	0,364	0,179	Valid

Source: Primary Data processed with SPSS 22, 2024

Based on the table above, if the Pearson Correlation Score is greater than 0.179, we can conclude that all questions posed have met the sufficient validity criteria to proceed to the next stage of testing.

Reliability Test

Tabel 4 Results Reliabilty Test

Variabel	Alfa Cronbach	Alpha Standard	Information
Level of Awareness among Accounting Students	0,709	0,60	Reliabilty
Accounting Students' Preferences	0,705	0,60	Reliabilty
Environental Inforation in Financial Statements	0,659	0,60	Reliabilty

Source: Primary Data processed with SPSS 22, 2024

In Table 3, all variables show Cronbach's Alpha values greater than 0.60. This indicates that all these variables are acceptable and can proceed to the next stage of testing.

Classical Assumption Test
Normality Test

Tabel 5. Result Normality Test
One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		120
Normal Parametersa,bMean		12.9416667
Std. Deviation		,84363236
Most Extreme Differences	Absolute	,086
Positive		,086

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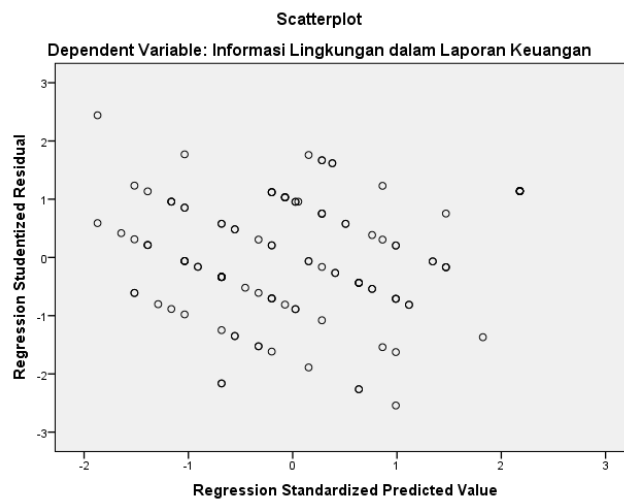
Negative	-,044
Test Statistic	,086
Asymp. Sig. (2-tailed)	,030ᶜ

Source: Primary Data processed with SPSS 22, 2024

From Table 5, the Asymp. Significance (2-tailed) value is 0,30, which is greater than 0,05. Thus, we can conclude that the data has a normal distribution.

Heterokedasticity Test

Figure 6 Results Heterokedasticity Test

Source: Primary Data processed with SPSS 22, 2024

Figure 6 shows that the data points are evenly distributed above and below the horizontal line at 0 on the Y-axis. This distribution indicates that the regression model does not exhibit heteroskedasticity issues, making it a reliable tool for analysis.

Hypothesis Testing
F Test

Table 7 Results of the F-Test

	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	84,694	2	42,347	34,917	,000b
	Residual	141,898	117	1,213		
	Total	226,592	119			

Source: Primary Data processed with SPSS 22, 2024

Based on the results of the F-test in Table 7, the F-table value is 3.07. Meanwhile, the calculated F-value from the table is 34.917, which is much greater than the F-table. Additionally, the obtained significance value is 0.000, which is lower than the 5% significance level (or 0.000 < 0.05). These results indicate that the F-value is significant and consistent with the test outcomes. Therefore, the model

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used in this study is considered valid and reliable.

T Test

Table 8 Results of the T-Test

	TestValue = 0		
	T	df	Sig. (2 – tailed)
Level of Awareness among Accounting Students	3,038	120	0.000
Accounting Students' Preferences	4,821	120	0.000

Source: Primary Data processed with SPSS 22, 2024

This test aims to determine the individual impact of independent variables on the dependent variable. The analysis involves assessing statistical significance and comparing the t-table value with the calculated t-value. The t-table value is usually found in statistical tables at a 5% significance level or 0.05, with degrees of freedom (df) calculated as df = n - k - 1, where n is the number of samples and k is the number of independent variables. In this case, df = 120 - 2 - 1, equivalent to 117. From the statistical tables, the estimated t-table value at a 5% significance level or 0.05 is approximately 1.657.

The test results indicate that the variable Accounting Students' Awareness has a calculated t-value of 3.038, while the corresponding t-table value is 1.657. Therefore, we can conclude that the calculated t-value is greater than the t-table value, with a significance level of 0.000 < 0.05. Thus, the first hypothesis (H1) is accepted, indicating a positive impact of Accounting Students' Awareness on environmental information in financial reports.

The test results also indicate that the variable Accounting Students' Preferences has a calculated t-value of 4.821, while the corresponding t-table value is 1.657. Therefore, we can conclude that the calculated t-value is greater than the t-table value, with a significance level of 0.000 < 0.05. Thus, the first hypothesis (H1) is accepted, indicating a positive impact of Accounting Students' Preferences on environmental information in financial reports.

5. CONCLUSION

Accounting students who have a high awareness of environmental issues tend to support the importance of including environmental information in financial reports. This awareness is rooted in understanding the impact of business on the environment, social values, and corporate responsibility. Education that includes sustainability and green accounting material enhances this awareness, leading accounting students to view financial reporting not only as a tool for demonstrating financial performance but also as a means to disclose corporate responsibility toward the environment. This awareness influences their views on transparency and investment decisions, prompting them to advocate for financial reports that include environmental information, thereby encouraging companies to be more open and accountable for their environmental impact.

Accounting students' preference for environmental information in financial reports has a positive impact as they increasingly understand the importance of

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sustainability and environmental responsibility in modern business practices. This awareness is influenced by education that integrates green accounting and sustainability material, exposure to environmental awareness campaigns, and evolving social values. Additionally, media coverage highlighting environmental issues also plays a role in shaping students' perceptions. Given this background, accounting students tend to prefer and support financial reports that are transparent and include information about environmental impact. This preference indicates their expectations for a more responsible business world and underscores the importance of environmental information in financial reports as a tool to measure corporate commitment to sustainability.

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