

## **Environmental Accounting Practices In Real Estate Companies: A Stakeholder Perspective**

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### **ABSTRACT**

Real estate growth provides economic benefits while generating ecological consequences through land modification, water management, drainage, green open spaces, and regional quality. This article aims to understand environmental accounting practices based on the perspectives of internal and external stakeholders. This study employs an interpretive qualitative approach using Alfred Schutz's social phenomenology at PT Pattiarase Propertindo Putra through the Ville Park Barombong housing estate in Makassar. Data were gathered through interviews and observations involving management, consumers, local communities, government authorities, financing institutions, and academics. The analysis utilized noesis and noema alongside thematic analysis. The results indicate that environmental practices have been manifested through green open spaces, landscaping, parks, drainage, tap water (PDAM) utilization, sanitation, community facilities, and social activities. However, environmental costs have not been specifically segregated within the accounting system. Stakeholders attribute distinct meanings to these practices: costs and operations for financial management, product value for marketing, quality of life for consumers, shared benefits for the community, compliance for the government, risk indicators for financing institutions, and socio-ecological accountability for academics. The research synthesis asserts that environmental accounting practices constitute a form of social responsibility reflecting the moral responsibility of the company. **Keywords:** environmental accounting, stakeholder, real estate, social phenomenology, moral and social responsibility.

## INTRODUCTION

The development of real estate is intertwined with housing needs, investment, employment opportunities, and urban area growth. Simultaneously, housing development alters land use and increases demands for water, drainage, green open spaces, and environmental infrastructure. Idawati (2021) indicates that real estate development can place pressure on the environment, primarily through land-use conversion and the reduction of water absorption areas. Therefore, the creation of economic value must run parallel with the management of social and ecological impacts. In accounting, these consequences can be understood through environmental accounting. Ikhsan (2008) positions the identification, measurement, and reporting of environmental costs and benefits as essential components of environmental accounting. Sukoharsono and Andayani (2010) expand its meaning into the realm of social accountability, while Lako (2018) links green accounting with the integration of economic, social, and ecological interests. In real estate companies, these practices are reflected in the management of green open spaces (RTH), landscaping, water systems, drainage, sanitation, and environmental facilities.

The research object, Ville Park Barombong Housing, presents an interesting context because the environment is not only part of regional management but is also tied to consumer experience and marketing strategy. The same activity can be interpreted differently by different parties. Management perceives resource utilization, consumers experience comfort, the community evaluates social benefits, the government focuses on compliance, financing institutions consider risk, and academics assess accountability. Freeman (1984) explains that stakeholders are individuals or groups who can affect or be affected by the achievement of an organization's objectives. Donaldson and Preston (1995) distinguish between normative, instrumental, and descriptive dimensions within Stakeholder Theory. Purwantono (2024) emphasizes the importance of stakeholder interest mapping, communication, and accountability. In an environmental context, this perspective opens space to understand accounting not merely as bookkeeping, but as a medium of accountability.

Previous studies have extensively discussed environmental costs, social accountability, green accounting, and sustainability (Ikhsan, 2008; Sukoharsono & Andayani, 2010; Lako, 2018; Saputra et al., 2019; Wulandari & Sisdiyanto, 2022). However, room remains to examine how environmental practices are interpreted differently by the stakeholders of a real estate company. This study addresses this gap using Alfred Schutz's (1967) social phenomenology, which positions experience as the foundation for meaning construction. The objective of this research is to understand how stakeholders interpret environmental accounting practices in real estate companies.

## RESEARCH METHOD

This study employs a qualitative method, an interpretive paradigm, and Alfred Schutz's social phenomenology approach. Creswell (2014) states that a qualitative approach is suitable for understanding the meanings individuals or groups ascribe to social problems. The research

location is PT Pattiarase Propertindo Putra, specifically through the Ville Park Barombong Housing Estate in Makassar City, purposively selected because it exhibits diverse environmental management activities. Informants totaled seven individuals. Internal stakeholders consist of the Finance Manager and Marketing Manager, while external stakeholders include consumers, the surrounding community, officials from the Makassar City Environmental Agency, a financing institution, and an academic. Data were gathered through in-depth interviews, observations of the area and office, and relevant documentation. Analysis was conducted using three tools. Neosis was utilized to synthesize experiences into a synthesis. Neoma was used to trace social meanings. Thematic analysis was applied to discover patterns and themes across informants. Data validity refers to Lincoln and Guba (1985) through credibility, transferability, dependability, and confirmability; credibility was strengthened using source and technique triangulation.

## **RESULTS AND DISCUSSION**

### **4.1 Environmental Practices in Company Operations**

The findings indicate that the company has implemented several environmental activities. The estate provides green open spaces, parks, trees, drainage, sanitation, tap water usage, environmental facilities, and social activities. Observations reveal that these elements have become part of the area's character. Consequently, environmental attention has been present in corporate practice, although not yet fully formalized as an environmental accounting system. From a financial standpoint, expenditures for landscaping, parks, sanitation, drainage, water, and regional facilities remain classified under maintenance or operational costs. There is no specific segregation of environmental costs. This finding highlights the distinction between environmental management practices and environmental accounting practices: activities are ongoing, yet their identification, measurement, categorization, and reporting urgently require strengthening (Jasch, 2003; Burritt et al., 2002).

### **4.2 Internal Stakeholders: Costs, Product Value, and Strategy**

The Finance Manager interprets the environment primarily through resource utilization to maintain estate conditions. This meaning reflects operational and cost dimensions. Meanwhile, the Marketing Manager views the environment as part of product value. Parks, green spaces, drainage, and well-organized areas serve as considerations for prospective buyers. Thus, the environment possesses both ecological and economic functions. These findings align with Elkington (1997), as the interests of the planet and people can intersect with profit. Lako (2018) also demonstrates that green accounting can connect with business strategy. However, the research findings do not indicate that marketing benefits automatically equate to mere image-building. Economic value can emerge precisely because environmental actions generate tangible benefits for stakeholders. This reflects an instrumental dimension without overriding the company's normative obligations.

### **4.3 Consumers: The Environment as Quality of Life**

Consumers do not observe environmental costs directly, but experience the results through parks, trees, sanitation, drainage, comfort, and neighborhood conditions. The environment becomes one of the considerations when choosing a home and continues to be valued after residents have lived there for several years. Ultimately, a home is understood not merely as a building, but as a living space. Within Schutz's (1967) framework, pre- and post-purchase experiences shape consumer noesis, while the resulting noema is the environment as quality of life. This finding broadens the meaning of environmental accounting from environmental costs to environmental benefits.

#### **4.4 Community: Shared Benefits and Social Responsibility**

The surrounding community experienced spatial changes following the development of the estate. Based on informant experiences, no significant environmental disruptions, such as pollution or flooding attributable to the development, were perceived, whereas greening and spatial arrangement are seen as benefits. Social relations, responsiveness to complaints, and CSR programs also influence community assessment. The emerging meaning is that the environment represents shared benefits and social responsibility. This finding supports Freeman (1984), as the community constitutes a stakeholder group that can absorb the impacts of a company's presence. Furthermore, social responsibility should not be restricted to standalone CSR programs; responsibility must be embedded within the company's core activities and continuously maintained through communication and responsiveness to community needs (Kartini, 2013).

#### **4.5 Government: Compliance and Public Accountability**

The government views the environment through the lens of compliance, supervision, environmental requirements, green open spaces, drainage, water systems, and regional facilities. From this perspective, compliance serves as a means to protect the public interest. Supervisory experiences shape the interpretation of the environment as a matter of common interest. Environmental accounting fulfills a public accountability function because environmental information helps external parties evaluate corporate actions. Regulatory compliance is a starting point, whereas substantive responsibility requires concrete action and traceable information. Consequently, environmental recording and reporting can bridge corporate practices with stakeholder evaluation needs.

#### **4.6 Financing Institutions: Risk and Credibility**

Financing institutions interpret environmental management through risk, governance, legality, credibility, and business sustainability. Proper environmental management supports the assessment that social, legal, reputational, and financial risks are more controllable. Conversely, environmental issues can escalate into business risks. This interpretation demonstrates the instrumental dimension of stakeholder theory (Donaldson & Preston, 1995): positive stakeholder relations can support business continuity. However, such economic benefits do not negate social responsibility. Risk management precisely highlights the company's need to take responsibility for the consequences of its activities.

#### **4.7 Academics: Socio Ecological**

Accountability Academics draw a conceptual boundary between conducting environmental activities and accounting for environmental activities. Green open spaces, tap water, landscaping, sanitation, and social activities can become part of environmental accounting practices if managed systematically and linked to environmental accountability. Strengthening accounting therefore does not necessarily require initiating entirely new activities, but rather identifying activities already underway. This view integrates the experiences of other stakeholders. Consumers experience quality of life, the community receives social benefits, the government assesses compliance, and financing institutions monitor risk. An accounting system is necessary so that these experiences can be translated into accountable information (Gray, 2010; Schaltegger & Burritt, 2010).

#### **4.8 Synthesis of Stakeholder Perspectives**

Diverse experiences yield varied interpretations: Financial Management views the environment as costs and resources; Marketing as product value; consumers as quality of life; the community as shared benefits; the government as compliance and public accountability; financing institutions as risk indicators and credibility; and academics as socio-ecological accountability. In Schutz's (1967) perspective, these differences are consequences of differing life experiences. Although distinct, these meanings do not cancel each other out. All perspectives converge on the necessity for companies not only to extract economic value from the environment, but also to manage and account for its impacts. Environmental accounting then functions as a bridge between corporate actions and stakeholder needs for information and accountability.

#### **4.9 From Environmental Activities Toward Social Responsibility**

The primary finding reveals a gap between environmental management practices and accounting formalities. The company has undertaken various actions, but environmental expenditures are not presented separately. Therefore, strengthening environmental accounting can be achieved through identification, measurement, categorization, recording, evaluation, and disclosure. Such improvements will make managed resources, benefits, and impacts easier to trace. The research synthesis can be summarized as follows: concern → action → benefits → accountability → social responsibility. This flow indicates that cost recording is not the ultimate goal. Accounting serves as a vehicle to translate corporate concern into actions that generate benefits and can be accounted for.

#### **4.10 Environmental Accounting as Social Responsibility**

The synthesis of stakeholder experiences points to the understanding that environmental responsibility is not limited to CSR. In real estate companies, responsibility is also reflected in decisions to develop neighborhoods, provide green open spaces, manage water and drainage, maintain sanitation, landscape the area, and upkeep facilities. This implies that social responsibility must be embedded within business processes, rather than merely existing as an auxiliary program. Real estate companies help shape people's living spaces. Therefore, development impacts are part of corporate responsibility. Recording environmental costs is an instrument, while the more substantive matter is the responsible

use of resources and openness regarding managed impacts. Accounting questions ultimately shift from simply "what are the environmental costs?" to "for what purposes are resources used, who derives the benefits, what impacts are managed, and how is accountability demonstrated?" Based on this synthesis, the research asserts that environmental accounting practices represent social responsibility as a reflection of a company's moral duty. This conclusion reconciles the normative, instrumental, and descriptive dimensions of stakeholder theory with the social experiences of stakeholders

## CONCLUSION AND RECOMMENDATIONS

Environmental accounting practices at PT Pattiarase Propertindo Putra through the Ville Park Barombong Housing Estate are manifested through various tangible activities, including green open spaces, landscaping, parks, drainage, tap water utilization, sanitation, environmental facilities, and social activities. However, environment-related costs have not been fully identified and specifically presented within the company's accounting system. Stakeholders attribute meanings according to their respective experiences. Management emphasizes costs, operations, and strategy; consumers emphasize quality of life; the community emphasizes shared benefits; the government emphasizes compliance; financing institutions emphasize risk and credibility; and academics emphasize socio-ecological accountability. These differences are not conflicts, but rather construct a more holistic picture of the relationship among the company, the environment, and stakeholders. The primary conclusion of this research is that environmental accounting practices constitute a form of social responsibility reflecting the company's moral responsibility. Environmental accounting does not stop at cost recording, but serves as a mechanism to ensure that environmental concern is translated into actions, benefits, information, and social, ecological, and moral accountability.

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