ENVIRONMENTAL MANAGEMENT ACCOUNTING, GREEN TRANSFORMATIONAL LEADERSHIP AND ENVIRONMENTAL PERFORMANCE: EVIDENCE FROM HOTELIERS

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ABSTRACT

This research aims to analyze the impact of the implementation of Environmental Management Accounting (EMA) and Green Transformational Leadership (GTL) on the environmental performance of hotel companies in Palembang, Indonesia. The research was conducted using a descriptive quantitative approach. Data were collected through questionnaires distributed to 36 hotels, resulting in 108 respondents. Data analysis was conducted using SmartPLS (Smart Partial Least Square) software by performing descriptive statistical analysis and multiple linear regression to test the relationships between variables. The analysis results show that EMA and GTL each have a positive and significant impact on the company's environmental performance. EMA allows the company to monitor and improve the efficiency of environmental management, while GTL motivates employees to be more concerned about environmental issues. These findings provide practical recommendations for hotel companies to adopt EMA and implement GTL leadership style as part of their strategy to improve environmental performance. The integration of these two approaches can help companies achieve sustainability goals more effectively. This research is novel as it focuses on the hospitality industry, which has rarely been the subject of study. Additionally, this research combines EMA and GTL analysis to explore their impact on the company's environmental performance.

Keyword: Environmental Management Accounting; Environmental Performance; Green Transformational Leadership

ABSTRAK

Penelitian ini bertujuan untuk menganalisis dampak penerapan Environmental Management Accounting (EMA) dan Green Transformational Leadership (GTL) terhadap kinerja lingkungan perusahaan perhotelan di Kota Palembang. Penelitian dilakukan dengan pendekatan kuantitatif deskriptif. Data dikumpulkan melalui kuesioner yang disebarkan kepada 36 hotel, menghasilkan 108 responden. Analisis data dilakukan menggunakan perangkat lunak SmartPLS (Smart Partial Least Square) dengan melakukan analisis statistik deskriptif serta regresi linear berganda untuk menguji hubungan antar variabel. Hasil analisis menunjukkan bahwa EMA dan GTL masing-masing berpengaruh positif dan signifikan terhadap kinerja lingkungan perusahaan. EMA memungkinkan perusahaan untuk memantau dan meningkatkan efisiensi pengelolaan lingkungan, sementara GTL memotivasi karyawan untuk lebih peduli terhadap isu lingkungan. Temuan ini memberikan rekomendasi praktis bagi perusahaan perhotelan untuk mengadopsi EMA dan menerapkan gaya kepemimpinan GTL sebagai bagian dari strategi dalam meningkatkan kinerja lingkungan. Integrasi antara kedua pendekatan ini dapat membantu perusahaan mencapai tujuan keberlanjutan secara lebih efektif. Penelitian ini memiliki kebaruan dengan memfokuskan kajian pada perusahaan perhotelan di Kota Palembang yang masih jarang menjadi objek penelitian. Selain itu, penelitian ini mengkombinasikan analisis EMA dan GTL untuk mengeksplorasi pengaruhnya terhadap kinerja lingkungan perusahaan.

Kata Kunci: *Environmental Management Accounting*; *Green Transformational Leadership*; Kinerja Lingkungan

Introduction

Today's business world faces huge demands from stakeholders regarding environmental responsibility and sustainability. Climate change, pollution, and environmental degradation are at the top of the global agenda, driving companies across sectors to integrate green practices into their operations. In a competitive business environment, it is no longer enough for companies to focus solely on profitability. They also need to be mindful of the environmental impacts of their

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activities to maintain their reputation, mitigate risks, and meet the expectations of society and regulators.

The hospitality sector, especially in Indonesia, is one of the sectors that has a significant impact on the environment due to the high consumption of resources, such as energy and water, and the use of chemicals in daily operations. Although there have been many studies exploring sustainability practices across sectors, studies that specifically discuss the application of Environmental Management Accounting (EMA) and Green Transformational Leadership (GTL) to environmental performance in the hospitality sector are still very limited, especially in Indonesia. With increasing environmental awareness among the public and the global trend towards sustainable business, there is an urgent need for hospitality companies to adopt a more systematic approach to their environmental management. Therefore, this study aims to address the gap in the literature related to the implementation of EMA and GTL in the Indonesian hospitality industry.

This study is based on the Natural Resource-Based View (NRBV) theory, which is a development of the Resource-Based View (RBV) theory. RBV states that competitive advantage can be achieved through the utilization of valuable, rare, and non-imitable or replaceable resources by competitors. In other words, RBV emphasizes the importance of managing unique resources as a means to achieve sustainable competitiveness. In its development, Hart (1995) introduced the concept of NRBV to explain the importance of environmental resources as a strategic aspect that can create a competitive advantage for companies. NRBV highlights that companies that integrate environmentally friendly practices into their strategies and operations can achieve long-term competitive advantage.In the context of NRBV, two main approaches that companies often apply to achieve sustainability goals are EMA and GTL. EMA provides a framework that allows companies to measure, manage, and optimize their environmental performance through environmental cost management. By providing comprehensive information on the costs and environmental impacts of each company's activities, EMA allows managers to make decisions that support environmental efficiency while achieving economic goals. On the other hand, GTL focuses on the inspirational and motivational leadership aspect, where company leaders encourage employees to play an active role in addressing environmental issues in the workplace. NRBV theory supports that the combination of environmentally oriented management practices such as EMA and environmentally friendly leadership styles such as GTL can provide sustainable competitive advantages for companies that focus on environmental performance. Thus, these two approaches are expected to help hotel companies in Indonesia to face environmental challenges more effectively.

Research related to EMA and GTL has been widely conducted in various sectors and shows positive results in supporting corporate environmental performance. A study by Hanif et al. (2023) revealed that GTL plays an important role in driving green innovation through environmentally friendly processes in the manufacturing and retail sectors. In this study, it was found that GTL has a direct and indirect influence on corporate environmental performance through green

process innovation. This finding confirms that leaders with a sustainability-oriented leadership style can motivate employees to adopt environmentally friendly practices, which ultimately improves corporate environmental performance. Fuzi et al. (2019) also showed that EMA plays a crucial role in environmental management in the manufacturing sector, with the result that companies that implement EMA have better environmental performance because they can manage environmental costs effectively and meet more transparent reporting needs. Another study by Jamil et al. (2015) examined the factors influencing the implementation of EMA in MSMEs and revealed that many MSMEs face obstacles in implementing EMA consistently, despite its clear benefits. Meanwhile, Latan et al. (2018) concluded that top management support and environmental strategy significantly contribute to the success of EMA implementation in improving corporate environmental performance. These studies provide valuable insights into the importance of EMA and GTL in various sectors. However, specific research on the impact of EMA and GTL on the hospitality sector, especially in developing countries like Indonesia, is still very limited.

The purpose of this study is to examine the effect of EMA and GTL on the environmental performance of hotel companies in Palembang, Indonesia. Unlike previous studies that focused on the manufacturing and retail sectors, this study will focus on the hotel sector, which has unique characteristics in terms of energy, water consumption, and emissions produced. The hotel sector also has greater pressure to implement environmentally friendly practices due to demands from tourists and the surrounding community. This study also differs from previous studies by focusing on hotel companies in developing countries, where environmental standards have not been fully adopted and regulations are often voluntary. Thus, this study aims to contribute to the literature on environmental and sustainability management accounting in the context of the service industry, especially in the hotel sector in Indonesia.

Literature review
Natural Resource-Based View (NRBV) Theory

Natural Resource-Based View (NRBV) is an extension of the Resource-Based View (RBV), focusing on sustainable competitive advantages derived from a firm's capabilities and resources that address environmental challenges. According to Hart (1995), the NRBV posits that sustainable competitive advantages can be achieved through resources and capabilities difficult for competitors to imitate, particularly through pollution prevention, product stewardship, and sustainable development. NRBV emphasizes the strategic role of integrating environmental sustainability into corporate strategy, enabling companies to respond effectively to increasing environmental pressures and gain competitive advantages (Alam et al., 2019; Journeault, 2016).

Environmental Management Accounting

Environmental Management Accounting (EMA) is a strategic management approach involving the identification, collection, analysis, and use of monetary and physical information regarding environmental impacts (Latan et al., 2018). EMA provides organizations with better financial and non-financial information crucial for environmental decision-making and strategic planning. Implementing EMA helps improve environmental performance by promoting resource efficiency, reducing costs related to environmental impacts, and enhancing corporate environmental accountability (Johnstone, 2018).

Based on the NRBV theory, EMA is expected to have a positive impact on the company's environmental performance. EMA allows companies to manage environmental costs more effectively and provides important information in decision-making that supports operational efficiency and sustainability. A study conducted by Sands and Lee (2015) showed that the comprehensive implementation of EMA can increase the competitiveness of companies in the market while improving their environmental performance. Other studies by Lisi (2015) and Khan and Yu (2020) also support that information generated through EMA can help companies identify efficiency opportunities and develop relevant environmental performance indicators. Therefore, this study proposes the following hypothesis:

H1: Environmental Management Accounting (EMA) has a positive effect on corporate environmental performance.

Green Transformational Leadership

Green Transformational Leadership (GTL) refers to leadership behaviors aimed at inspiring and motivating employees to adopt environmentally responsible practices and innovations (Mittal & Dhar, 2016; Singh et al., 2020). GTL significantly contributes to fostering a culture of sustainability by increasing employee environmental awareness, promoting proactive environmental initiatives, and improving overall organizational environmental performance (Çop et al., 2021; Tian et al., 2023). Effective GTL can drive employee creativity and innovation, leading to enhanced organizational capacity to address environmental challenges.

In addition, the NRBV theory emphasizes the importance of the role of leadership in supporting corporate sustainability. GTL is considered an appropriate leadership style to create a work environment that supports sustainability because it can encourage employees to care more about environmental issues. In this context, Singh et al. (2020) showed that GTL plays an important role in encouraging green innovation and increasing employee awareness of the importance of protecting the environment, which in turn has a positive impact on the company's environmental performance. Considering that the hospitality sector is faced with major challenges in managing their environmental impacts, GTL is expected to encourage companies to be more

proactive in reducing their ecological footprint and improving environmental performance. Based on these findings, the second hypothesis proposed is:

H2: Green Transformational Leadership (GTL) has a positive effect on the company's environmental performance.

Environmental Performance

Environmental performance represents an organization's commitment to protecting the environment through measurable outcomes related to natural resource conservation, waste reduction, pollution control, and adherence to environmental standards (Singh et al., 2020). Improved environmental performance contributes to organizational reputation, regulatory compliance, cost savings, and sustainable competitive advantage. Both EMA and GTL practices are directly correlated with enhancing environmental performance, reflecting a proactive management stance towards environmental issues (Hanif et al., 2023; Fuzi et al., 2019).

Research Methode

This research is quantitative research with a descriptive approach, which aims to identify and analyze the influence of EMA and GTL on the company's environmental performance. The quantitative method was chosen because it allows standardized measurements of the research variables and provides results that can be analyzed statistically to conclude the relationship between these variables. The descriptive approach aims to provide a clear picture of the phenomenon being studied, including the level of implementation of EMA and GTL and their influence on environmental performance. In addition, this approach is also useful for understanding the context of research in the hotel sector in Palembang, where environmental management practices have not been comprehensively explored.

The population in this study were all hotel companies in Palembang that are included in the categories of three-, four-, and five-star hotels. This classification was chosen because hotels with higher star categories tend to have better operational standards and environmental management and are more responsive to sustainability issues than hotels with lower categories. Based on the latest data, there are 36-star hotels in Palembang that meet these criteria.

The sampling technique used is purposive sampling, which is a sample selection technique carried out by setting certain criteria so that only certain units of the population will be included in this study. The consideration in using this technique is to ensure that the research sample truly has characteristics that are relevant to the research objectives. In the context of this study, hotels with a three- to five-star classification were selected because they generally have more adequate resources to implement environmental management practices, as well as access to technology and managerial practices that support sustainability.

The type of data used in this study is primary data, which is obtained directly from respondents through a questionnaire instrument. Primary data was chosen because this study aims to obtain specific and direct information from hotel industry players regarding the implementation of EMA and GTL and their

impact on environmental performance. The data collected includes respondents' perceptions regarding the implementation of EMA, GTL leadership style, and various aspects of the company's environmental performance that are relevant to the context of the hotel industry.

The respondents in this study were individuals who held managerial positions or senior staff in the hotels that were the research samples. The respondent selection criteria included general managers, assistant managers, financial managers, and other staff who had knowledge of the company's environmental policies and strategies. The selection of respondents aims to ensure that the data obtained comes from sources that are competent in understanding and managing environmental policies in hotels. Thus, the data produced is expected to be accurate and can reflect the real conditions of EMA and GTL practices in the hotel sector. The main instrument used in this study was a questionnaire that was compiled in a closed manner and used a Likert scale to measure variables. The Likert scale was chosen because it allows respondents to express their level of agreement or disagreement with statements related to the implementation of EMA, GTL, and the company's environmental performance. The scale used is a 5-point Likert scale, where a score of 1 indicates "strongly disagree" and a score of 5 indicates "strongly agree".

The questionnaire was compiled based on indicators that have been tested and used in previous studies related to EMA, GTL, and environmental performance. In the EMA variable, indicators include various aspects of environmental cost management, such as monitoring operational costs related to the environment and resource efficiency. Meanwhile, the GTL variable is measured through leadership indicators that encourage employee involvement in environmental issues, provide inspiration about sustainability, and create a shared vision related to environmental management. Finally, the company's environmental performance is measured through indicators of achieving sustainability targets, waste management, energy efficiency, and compliance with applicable environmental regulations.

Technical data analysis was carried out in stages, starting with descriptive analysis, which aims to provide an overview of the characteristics of the data collected. This descriptive analysis includes calculating the mean, standard deviation, minimum, and maximum values of the research variables. The results of this descriptive analysis are used to understand data patterns and provide context for further analysis. Furthermore, to test the research hypothesis, multiple linear regression analysis was used. This regression analysis aims to determine the extent to which the independent variables, namely EMA and GTL, have a simultaneous or partial effect on the dependent variable, namely environmental performance. The multiple linear regression analysis technique was chosen because it allows researchers to measure the contribution of each independent variable to changes in the dependent variable, as well as to determine the significance of the influence.

Data processing was carried out with the help of statistical software, namely SmartPLS (Partial Least Squares), which facilitates more comprehensive testing of structural models and relationships between variables. SmartPLS allows

researchers to test the validity and reliability of instruments and provides in-depth estimation results related to the causal relationship between EMA, GTL, and corporate environmental performance. This analysis is expected to provide a clear understanding of the influence of EMA and GTL in improving environmental performance in the hospitality sector. The calculation of the multiple regression analysis technique can be calculated using the following formula:

$$Y_i = \alpha + \beta 1 X1_i + \beta 2 X2_i + e_i$$

Result and Discussion

Descriptive statistics aim to provide an overview of the research data collected from respondents in the hospitality sector. Descriptive results for the EMA, GTL, and environmental performance variables of companies show high average values, indicating a fairly good level of EMA and GTL implementation in hospitality companies in Palembang, Indonesia. For example, the mean for the EMA-10 indicator shows the highest value of 4.125, while the GTL-10 indicator on the green leadership variable shows a mean value of 4.056. The environmental performance variable also shows a high average, with the KL-10 indicator reaching 4.097. The standard deviation values for most indicators are in the low to medium range, indicating that the data is relatively consistent among respondents.

The results of the descriptive analysis show that the average implementation of EMA in the hotel sector of Palembang is quite high, with a mean value reflecting the awareness of hotel companies regarding the importance of environmental cost management. This may also be due to demands from stakeholders and government regulations related to environmental management. GTL also shows a high average, indicating that many hospitality companies adopt leadership styles that support sustainability. This is evident from the management's commitment to the environment, as well as efforts to inspire employees in achieving the company's sustainability goals.

The variable of the company's environmental performance shows that most hotels in Palembang have made efforts to improve their environmental performance, including waste management, energy consumption reduction, and compliance with environmental regulations. The standard deviation obtained from the descriptive analysis results shows a relatively small variation, indicating uniformity among the hotels in the implementation of EMA and GTL.

Table 1. Descriptive Statistics

Variable	Total	Mean	Observed Minimum	Observed Maximum	Standard Deviation
EMA (X1)					
EMA-1	72	3.819	2	5	0.811
EMA-2	72	3.847	2	5	0.725
EMA-3	72	3.792	2	5	0.838
EMA-4	72	3.917	2	5	0.835
EMA-5	72	3.889	2	5	0.779
EMA-6	72	3.917	2	5	0.687
EMA-7	72	3.792	2	5	0.711
EMA-8	72	3.903	2	5	0.715

EMA-9	72	3.903	2	5	0.772
EMA-10	72	4.125	2	5	0.730
GTL (X2)					
GTL-1	72	3.972	2	5	0.731
GTL-2	72	3.819	2	5	0.861
GTL-3	72	3.917	2	5	0.687
GTL-4	72	4.014	2	5	0.741
GTL-5	72	4.042	2	5	0.701
GTL-6	72	3.917	2	5	0.727
GTL-7	72	3.958	2	5	0.680
GTL-8	72	3.944	3	5	0.669
GTL-9	72	3.944	3	5	0.625
GTL-10	72	4.056	2	5	0.690
Environmental Performance (Y)					
EP-1	72	3.931	2	5	0.757
EP-2	72	3.972	2	5	0.750
EP-3	72	3.972	1	5	0.750
EP-4	72	3.944	2	5	0.748
EP-5	72	3.819	3	5	0.635
EP-6	72	4.000	2	5	0.751
EP-7	72	3.958	3	5	0.680
EP-8	72	4.097	3	5	0.675
EP-9	72	4.083	3	5	0.666
EP-10	72	4.097	3	5	0.675

Source: Processed Data, 2024

The validity test was conducted using the outer loading values on the convergent validity model. According to Ghozali and Latan (2015), data is considered valid if the outer loading value is above 0.5. The test results show that all indicators have outer loading values greater than 0.5, which means each indicator is valid in measuring the variable it represents, including EMA, GTL, and environmental performance. For example, items on the EMA variable have outer loading values above 0.7, reinforcing the construct validity of this variable in the research.

Table 2. Validity Test

Item	EMA (X1)	GTL (X2)	Environmental Performance (Y)
EMA-1	0.763		
EMA-2	0.871		
EMA-3	0.833		
EMA-4	0.852		
EMA-5	0.857		
EMA-6	0.826		
EMA-7	0.763		
EMA-8	0.799		
EMA-9	0.743		
EMA-10	0.73		
GTL-1		0.761	
GTL-2		0.753	
GTL-3		0.833	
GTL-4		0.863	
GTL-5		0.758	
GTL-6		0.794	

GTL-7	0.771	
GTL-8	0.773	
GTL-9	0.801	
GTL-10	0.725	
EP-1		0.74
EP-2		0.796
EP-3		0.859
EP-4		0.839
EP-5		0.75
EP-6		0.844
EP-7		0.79
EP-8		0.846
EP-9		0.773
EP-10		0.903

Source: Processed Data, 2024

The Reliability Test in this study uses the Composite Reliability value, with the criterion that a variable is considered reliable if the Composite Reliability value is above 0.7. Table 3 shows that the Composite Reliability value for the EMA variable is 0.948, for GTL it is 0.941, and for environmental performance, it is 0.952, indicating that the data from these three variables are reliable and have high internal consistency.

Table 3. Reliability Test

Variable	Composite Reliability (rho_a)	Composite Reliability (rho_c)
EMA (X1)	0,94	0.948
GTL (X2)	0,934	0.941
Environmental Performance (Y)	0,945	0.952

Source: Processed Data, 2024

The normality test is also conducted on this study to ensure the distribution of variable data. The results of the analysis using Excess Kurtosis and Skewness on Table 4 show that the values of all items are between -2 and 2, which meet the criteria for normal distribution. This indicates that the data in this study are normally distributed, allowing for accurate regression analysis.

Table 4. Normality Test

Item	Excess Kurtosis	Skewness
EMA-1	-0.304	-0.308
EMA-2	-0.582	0.014
EMA-3	-0.153	-0.472
EMA-4	-0.606	-0.288
EMA-5	-0.54	-0.169
EMA-6	-0.143	-0.16
EMA-7	0.306	-0.4
EMA-8	-0.435	-0.093

EMA-9	-0.038	-0.396
EMA-10	-0.271	-0.422
GTL-1	0.122	-0.402
GTL-2	-0.071	-0.591
GTL-3	-0.143	-0.16
GTL-4	0.105	-0.449
GTL-5	-0.091	-0.31
GTL-6	0.032	-0.324
GTL-7	0.003	-0.225
GTL-8	-0.706	0.063
GTL-9	-0.365	0.038
GTL-10	0.057	-0.337
EP-1	0.225	-0.485
EP-2	-0.098	-0.366
EP-3	2.161	-0.778
EP-4	-0.143	-0.323
EP-5	-0.548	0.166
EP-6	-0.62	-0.206
EP-7	-0.783	0.051
EP-8	-0.754	-0.118
EP-9	-0.692	-0.094
EP-10	-0.754	-0.118

Source: Processed Data, 2024

To test for multicollinearity, this study uses the Variance Inflation Factor (VIF). Data is considered free from multicollinearity if the VIF value is less than 10. Table 5 shows that the VIF values for the EMA and GTL variables are 3.556 each, indicating no multicollinearity between the independent variables.

Table 5. Multicollinearity

Variable	VIF
EMA (X1)	3.556
GTL (X2)	3.556

Source: Processed Data, 2024

The heteroscedasticity test was conducted using the Breusch-Pagan Test. The results on Table 6 showed that the p-value was 0.766, which is greater than 0.05, thus it can be concluded that there is no heteroscedasticity in the model. This indicates that the data from this study meet the assumption of homoscedasticity, which is important for obtaining unbiased regression estimates.

Table 6. Heterocedasticity Test

	Test-Statistic	df	P Value
Breusch-Pagan Test	0.533	2	0.766

Source: Processed Data, 2024

Partial test or t-test is conducted to see the individual and GTL effects on environmental performance. The results on Table 7 shows that both independent variables have a positive and significant effect on the dependent variable. More specifically, EMA has a significant t-statistic value, indicating that improvements in environmental management accounting positively contribute to the company's environmental performance. Similarly, GTL shows a significant and positive effect, affirming the importance of environmentally friendly leadership in motivating the company's sustainability efforts.

Table 7. Partial Test

	Unstandardized coefficients	Standardized coefficients	SE	T value	P value
GTL	0.513	0.495	0.121	4.219	0.000
EMA	0.373	0.395	0.111	3.372	0.001
Intercept	0.507	0	0.258	1.961	0.054

Source: Processed Data, 2024

Then, based on the results of Table 8 for the coefficient of determination test, it can be seen that the Adjusted R-Square value is 0.725 or 72.5%. Through this value, it can be concluded that the dependent variable of environmental performance is determined by the dependent variables EMA and GTL by 72.5%. Meanwhile, the factors influencing environmental performance are determined by other factors by 27.5% outside of the variables used in this study.

Table 8. Coefficient of Determination Test (R-Square)

	Y
R-square	0.733
R-square adjusted	0.725
Durbin-Watson test	1.629

Source: Processed Data, 2024

The results of this study are in line with the NRBV theory, which states that companies can achieve sustainable competitive advantage by effectively managing natural and environmental resources. In this context, EMA plays an important role in providing relevant information for decision-making related to environmental cost management. With EMA, companies can monitor and evaluate the environmental impact of each operational activity, thereby optimizing resource use and reducing costs associated with waste and pollution. This is in line with the findings of Prasetya (2021), which show that the implementation of EMA can provide a competitive advantage for companies through cost reduction

and improved environmental performance. These results are also in line with the research by Fuzi et al. (2019), which shows that EMA allows companies to integrate environmental costs into their business strategies, so that companies focus not only on profitability but also on environmental sustainability. With proper implementation of EMA, companies can be more transparent in reporting their environmental impacts, which not only enhances their reputation but also strengthens stakeholder trust.

The significant influence of GTL on the company's environmental performance indicates that environmentally oriented leadership is crucial in encouraging employees to behave in an environmentally friendly manner. GTL helps build a corporate culture that supports sustainability, where leaders play a key role in providing vision, motivation, and support to employees to achieve sustainability goals. Research by Singh et al. (2020) emphasizes that GTL plays a crucial role in driving environmentally friendly innovation and encouraging employees to adopt a proactive attitude towards the environment. This is also consistent with the research by Mittal and Dhar (2016), which states that leaders with GTL tend to create an inspiring and innovative work environment, where employees are motivated to actively participate in the company's sustainability efforts.

Furthermore, the results of this study underscore the importance of the integration between EMA and GTL in achieving optimal environmental performance. The combination of environmental accounting information provided by EMA and the sustainability-supportive leadership style of GTL can create a strong synergy, where employees are not only technically engaged but also morally driven to contribute to sustainability efforts. This integration supports the view of Latan et al. (2018) that top management and integrated environmental strategies can yield better results in the company's sustainability efforts.

Thus, the results of this study indicate that hotel companies in Palembang can improve their environmental performance through the simultaneous implementation of EMA and GTL. This also supports the practical implication that hospitality companies should adopt accounting practices that consider environmental costs and develop sustainability-oriented leadership to achieve better competitive advantage. With this approach, companies not only contribute to environmental preservation but can also enhance their reputation and value in the eyes of consumers and other stakeholders.

Conclusion

This study concludes that both EMA and GTL have a positive and significant impact on the environmental performance of hospitality companies in Palembang. EMA enables organizations to integrate environmental cost information into decision-making processes, leading to improved resource efficiency and environmental outcomes. For example, hospitality businesses can implement EMA by tracking energy and water usage costs, investing in eco-efficient technologies, or even adopting waste-reduction strategies that reflect true environmental costs.

Meanwhile, GTL influences employee awareness and engagement in eco-friendly practices, thereby enhancing sustainability efforts. Practical actions under GTL may include providing green training programs for staff, setting environmental performance goals, and recognizing or rewarding employees for sustainable initiatives such as energy-saving campaigns or reducing single-use plastics. These findings support the initial research objectives and hypotheses and are consistent with previous studies such as Hanif et al. (2023) and Latan et al. (2018), indicating a strong alignment between this study and existing literature.

Limitation

This research, while offering meaningful theoretical and practical contributions, has several limitations. The study was limited to hotel companies in Palembang, Indonesia, which restricts the generalizability of the findings to other regions or broader industry contexts. Additionally, the research focused only on two independent variables which are EMA and GTL, while other potentially influential factors on environmental performance, such as innovation, regulatory compliance, or energy efficiency, were not explored.

Sugestions

Future research is encouraged to expand the scope beyond Palembang to include hotel industries in other cities or countries for broader applicability. Additional variables such as green innovation, environmental regulation, or energy usage should be considered to deepen the understanding of environmental performance drivers. For practitioners, hotel management should proactively adopt EMA not only as a reporting tool but also as a strategic mechanism to track and improve environmental performance. Likewise, embedding GTL as part of organizational culture can stimulate eco-friendly innovations and foster a more sustainable business environment.

Implication

The practical implication of this study lies in its demonstration that both EMA and GTL are effective strategies for improving environmental performance in the hospitality sector. For company management, especially in hotels, managers can implement EMA by allocating budgets for environmental tracking tools, including utilities monitoring systems, and incorporating environmental cost assessments in procurement and operational decisions. From a leadership perspective, adopting GTL involves cultivating a green culture through specific human resource strategies. Hotel leaders can embed sustainability values in employee onboarding, provide regular eco-awareness training, and incentivize departments that achieve energy or waste-reduction targets.

For policymakers and industry regulators, these findings emphasize the need to encourage EMA and GTL practices through incentives like green certification, tax benefits, or training subsidies that promote environmental accountability and leadership development in hospitality. In short, this study not only highlights the importance of EMA and GTL but also provides actionable steps for hotels and stakeholders aiming to operationalize sustainability in a competitive service industry.

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