

Evaluating the Role of Environmental Management Accounting Techniques to Improve the Measurement of the Financial Performance of the Firms

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Abstract

In the light of a set of sub variables, was to propose a research model to verify the direct and indirect effect of the environmental management accounting techniques on the financial performance of firms, in the form of creating value for shareholders, as well as the study of the mutual influence between the environmental management accounting techniques and the environmental performance of these firms, in addition to verification of improvement in measuring the financial performance of the firms through the use of appropriate measures of value.

The researcher relied on a quantitative study to a number of firms in some governorates in A.R.E: Cairo, Giza and the 6th of October and Helwan. A proposed model has been tested using structure equation model, where the results of statistical analysis showed the existence of a direct effect of the environmental management accounting techniques on the financial performance of firms, and the absence of mutual influence of the environmental management accounting techniques on the environmental performance of firms, also indicated the existence of an indirect effect of the environmental management accounting techniques on financial performance of the firms through the influence on the environmental performance of firms, as well as the influence of some sub-variables - such as property system, and the size of the firm, and the environmental exposure- on the environmental management accounting techniques and the environmental and financial performance of firms, and the "lack of effect of some other sub-variables, such as nature of the industry, legal form of the firm, and scope of the market of the firm's products, as well as the superiority measures of the value that depends on the accounting profit over the measures of value based on cash flows in measuring the improvement in the financial performance of these firms.

Based on the results of the current study, it has been shown to support the environmental management accounting techniques to improve the measures of the financial performance of firms.

Keywords: Environmental management accounting techniques; Environmental performance; Financial performance; Environmental management system; Environmental efficiency; Social responsibility; Achieved value for shareholders, structural equations model.