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Stakeholders' Expectation and Environmental Accounting Practices of Listed Manufacturing Firms in Nigeria

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ABSTRACT

The study investigates the expectation of stakeholders' regarding environmental accounting practices with a view to examine the effect of stakeholders' expectations on environmental accounting practices. The study used survey research design and employed purposive sampling technique. Data were analyzed using descriptive and inferential statistics. Regression was used to analyze data on the effect of stakeholders' expectation on environmental accounting practices of the listed manufacturing firms. The results of the study revealed that environmental objectives and policies, occupational health and safety, compliance obligation, and company environmental culture are statistically significant to environmental accounting practices as their individual probability values are greater than 5% and their t-values are greater than 2. Only Product Risk and Opportunities is not statistically significant. Based on the study findings, it is concluded that stakeholder's expectations is related and has effect on environmental accounting practices of firms. The study recommends that listed manufacturing firms should make effort to ensure that the expectations of stakeholders are met in their environmental management system and environmental information is communicated to their stakeholders to create awareness about the firms' environmental practices.

Keywords: Environmental Accounting Practices, Expectation, Manufacturing Firms, Nigeria, Stakeholders

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INTRODUCTION

Issues concerning global warming, ozone depletion and environmental degradation have heightened the pressure on corporations with regard to the need for greater awareness and accountability vis-a-vis sustainable practices. As the role of business in society is changing dramatically, there is need for companies to understand that there are growing expectations from stakeholders about how it should manage its environment. For this reason, the increase of stakeholders' concern for societal and environmental challenges has caused companies, while developing social strategy, to encompass the needs, interests and motives of key stakeholders (Andrija, 2017; Peter and Arzizeh, 2012).

The stakeholders are a key factor in the success of environmental accounting practices as without their engagement, and loyalty, the organization may not achieve its objectives (Nikolova and Arsić, 2017). Hence, the business is accountable to the various stakeholders who can be identified and have a claim, either legally mentioned or morally expected. Business managers must satisfy a variety of stakeholders who can influence the firms' outcome by withdrawing their support from the business if they perceive they are not benefiting from the activities of the company that explore their environment (Charles, John-Akamelu & Umeoduagu, 2017).

Companies are expected to engage in environmental accounting practices so as to reassure the stakeholders of their commitment to environmental responsibilities, compliance with national environmental laws and guidelines, compliance with requirements of financial reporting, demonstration of environmental concerns and communication of the environmental information to a broad range of stakeholders (Irish Times, 2000; Beredugo and Mefor, 2012; Ofoegbu and Megbuluba, 2016).

In explaining underlying reasons for environmental accounting practices, two approaches have been suggested with each of them offering particular systematic assumptions, preconceptions, and insights (Islam, 2018). The positivist theories (agency theory, political cost theory, legitimacy theory, stakeholder theory) rely upon the economic-based assumption that all action is tied to wealth maximization. They see environmental accounting as a tool used to respond to stakeholders and community expectations and maintain legitimacy while the normative theories (accountability and critical theory) typically reject market-related solutions, consider all stakeholders to be morally deserving, and argue that one stakeholder group (such as shareholders) should not benefit at the expense of other stakeholders (such as the community or employees).

In compliment to the foreword and to bridge the gap in literature, it is expedient to consider the expectations of various stakeholders concerned about environmental accounting practices. Most especially, among the manufacturing firms who are most expected to be environmentally responsible due to the nature of their activities. The next sections will provide an overview of concepts and theories related to stakeholders and environmental accounting practices, methodology adopted, findings, conclusion and recommendations.

Statement of the Problem

In the past, corporations have set structure and infrastructure in the financial and operational perspective, ignoring or paying scant attention to other relevant environments and sustainable developments. This has a caused series of environmental and social problems (Meng and Zhao, 2011). Companies that have been credited for contributing to economic and technological progress have also been criticized for creating social problems such as pollution, waste, resources depletion and more (Khaled, Mohamed and Marwa, 2011). Ibimulia and Ibimulia, (2014) assert that the most common environmental problems in Nigeria are anthropogenic in nature. That is, they result from human interference (interaction) with the environment. They occur as a result of human intent, negligence, error or failure of human-made system. Now, issues are arising due to economic activities of companies that are linked to negative impact on the natural environment.

Despite that a business entity is a socio – economic entity which needs to be responsible for all its activities which have a bearing on the society (Jariya, 2015), corporations have failed to address economic growth against social and environmental needs in order to balance the different needs of various stakeholders

(Karambu and Joseph, 2016). Also, the heightened awareness of environmental issues such as climate change, ozone depletion, air and water pollution, deforestation and resource depletion, shows that if a company's practice of environmental accounting falls below expectation, it may result in significant legitimacy gap for corporations especially for those into manufacturing processes (Benhram, 2015). Thus, firms in the manufacturing industry are at risk of breaching the social contract due to their activities that may pose unacceptable environmental risks or damage the environment.

Studies such as Krivačić and Janković 2014; Oyadonghan and Eze, 2013; Ros and Terry, 2000; Waris, 2013) have identified a variety of factors that affect environmental disclosure practices adopted by companies. This includes; capital markets, accounting and regulatory framework, enforcement mechanisms, culture, stakeholders' interest, reputation and culture which all form part of the determinants of environmental disclosures. Despite the recognition of stakeholders' interest, there is failure to explore this area. Hence, the need to know the expectations of stakeholders' regarding environmental accounting practices.

Research Questions

Pertinent to the problems identified above, the study tends to provide answers to the following questions that are raised. They are: What are the expectations of stakeholders regarding environmental accounting practices? and What is the effect of stakeholders' expectations on environmental accounting practices of listed manufacturing firms in Nigeria?

Objectives of the Study

The broad objective of the study is to examine the expectations of stakeholders' on environmental accounting practices of listed manufacturing firms in Nigeria. And the specific objectives of the study are to: Identify the expectations of stakeholders regarding environmental accounting practices of listed manufacturing firms in Nigeria; and to determine the effect of stakeholders' expectations on environmental accounting practices.

LITERATURE REVIEW

The Concept of Stakeholders' Expectations

In every organization, there are individuals/groups that have a direct or indirect stake in the organization. Nikolova and Arsić (2017) describe stakeholders as agents that are interested in firms' actions and decisions because they are either harmed or benefit from the corporation. The expectations of stakeholders are described as the reason for differences in the opinions and actions of individuals/groups that are exposed to the same social phenomenon. Rao and Narayana, (1998), stated that needs and desire are part of the factors that shape people's perception. People at different levels of needs and desires perceive the same thing differently. The stakeholders of a company will form their perception of the company depending on their individual expectations of the firms' social responsibility and their degree of awareness of socially responsible activities conducted as part of the business processes (Andrija, 2017; Pomering and Dolnicar, 2009).

Scholars of management established that the relationship between an organization and its stakeholders is shaped by met and unmet expectations that can induce changes in relationships or even cause relationships to end (Laura, 2015). Hence, the expectations of stakeholders regarding the activities of an organization is a factor that should be considered with priority by the management team during strategic plan formulation because the actions of stakeholders as individuals or groups add value to the firms by increasing productivity, profitability, public image and overall business sustainability (Igbekoyi, 2017).

Undeniably, stakeholders have certain expectations when it comes to corporate behavior and they will reward behavior they see beneficial to the corporate environment. So, good impression of companies based on corporate social responsibility is created by building positive perception, trust and awareness in stakeholders (Moser and Dilling, 2011).

Environmental Accounting Practices in Nigeria

Environmental accounting has become the concern and focus of nations and responsible corporate management (Ndifon, Orok and Sackey, 2014). Environmental accounting practice is an important element of business sustainability that has become an inevitable management tools in modern business (Krivačić and Janković, 2017). Environmental accounting is a broader term that relates to the provision of environmental-performance related information to stakeholders both within, and outside an organization (Saremi and Nezhad, 2014). Islam (2018), states that environmental accounting covers both national- and corporate-level environmental performance activities and associated stakeholder interactions. It includes the processing of both financial and non-financial information regarding environmental and ecological impacts. The purpose of environmental accounting is to monitor and evaluate the status of environmental activities in a quantitative manner as much as possible.

Environmental accounting practices is still evolving and weak in developing countries and to stimulate the practice, many developing countries including Nigeria are putting in place regulations, code of corporate governance for listed companies (Mohammed, 2018). This shows that environmental accounting practices though a prevalent subject in the international community is not yet a priority in Nigeria.

In an investigation with the Federal Ministry of Environment by Enaharo (2009), he concludes that achieving effective environmental accounting practices are however fraught with uncertainties in Nigeria. Musa, Peter and Bukar, (2015) analyzed environmental accounting practices of Nigerian quoted firms. The results shows variations from one company to another since there are no mandatory disclosure guidelines and that the non-existence of the standard leads to lack of uniformity in disclosure and variations obtained.

Stakeholders' Expectations and Environmental Accounting Practices

Research into stakeholders' involvement in shaping perception of social, environmental and sustainability reporting has not been abundant (Tilt, 2007; Abdullah, 2014). A known fact is that stakeholder groups attempt to influence companies' activities and reporting through a variety of measures including antagonism, co-operation and collaboration. All this is to facilitate pressure on companies to improve their social and environmental performance.

Shareholders and Environmental Accounting Practice

The maximization of the shareholder wealth is still one of the main objectives of companies being environmentally responsible (Cristina, Melissa, and Miguelangelo, 2014). Poor environmental performance can lead to environmental damage, which in turn can result in financial losses for shareholders. In order to prevent or reduce this from happening it is important to communicate with the shareholders and to make them aware of the firm's environmental position (Lindblom and Ohlsson, 2011).

Fernando, Wojciech and Justyna (2016) indicated that investing in companies with environmental sustainability does not only generate higher returns during peak phases, but also diminishes shareholders' losses during bear phases. In a bid to find the relationship between environmental responsibilities and stock prices, Caroline (2012) found that companies reported to behave responsibly towards the environment experience a significant stock price increase, whereas firms that behave irresponsibly face a significant stock price decrease.

Customers and Environmental Accounting Practices

Companies depend on the customers and this makes them an important stakeholder. Customers' expectations have been identified as of the factors influencing companies' environmental practices (Hsu, Tan, Zailani and Jayaraman, 2013). Many customers want to know about the values and attitudes that underpin companies' activities and social risks linked to those activities, products and services. They also want to know if the products they are buying are environmentally friendly (KPMG, 2008). The emergence of ethical consumers in the market has changed the way businesses produce or sell their products or services. These customers tend to be more selective and conscious about the products or services that they are purchasing and consuming and as well as take into consideration the elements of social responsibility when making purchase decisions (Chee Yoong and Bee Lian, 2017). This shows that consumers' expectation have significant relationship with CSR practices and consumer attitude (CheeYoong and Bee Lian, 2017; Ogbodo, 2015; Dilling, 2011).

Employees and Environmental Accounting Practices

Companies will have difficulty in accomplishing environmental goals if employees do not support their policies as employees are the initiators of environmental practices in an organization (Sarkis, Gonzalez-Torre, and Adenso-Diaz, 2010). Many employees choose to work for companies that are contributing to society and are environmentally responsible. Ambec and Laonei (2008) found evidence from surveys suggesting that companies try to improve their environmental performance to satisfy employees. Henriques and Sadorsky (2008) also found that the pressure from employees is a significant determinant whether and how the firm is committed to environmental issues.

Host community and Environmental Accounting Practices

Fatunsi (2015) examines environmental impact of industries on residents of places where industries were located. There was indeed the general perception among residents who lived close to small scale industries that the operation of the enterprises did cause them some discomfort. Likewise, governmental institutions in collaboration with the local communities in Ghana present options for collaborative forest management (Tindan, Boafo, and Obodai, 2014). In consideration of past useful literature reviewed, a proposed framework in form of a diagram is presented below in figure 1.

Theories and Hypothesis

A good number of theories like institutional theory, legitimacy theory, stakeholder's theory and others have been used by numerous authors to explain the underlying reasons for corporate environmental practices (Ali and Rizwan, 2013). In the context of this current study, the stakeholders demand for environmental accounting practices can be properly characterized as being stakeholder issues and this makes stakeholder theory an appropriate the study will be hinged upon.

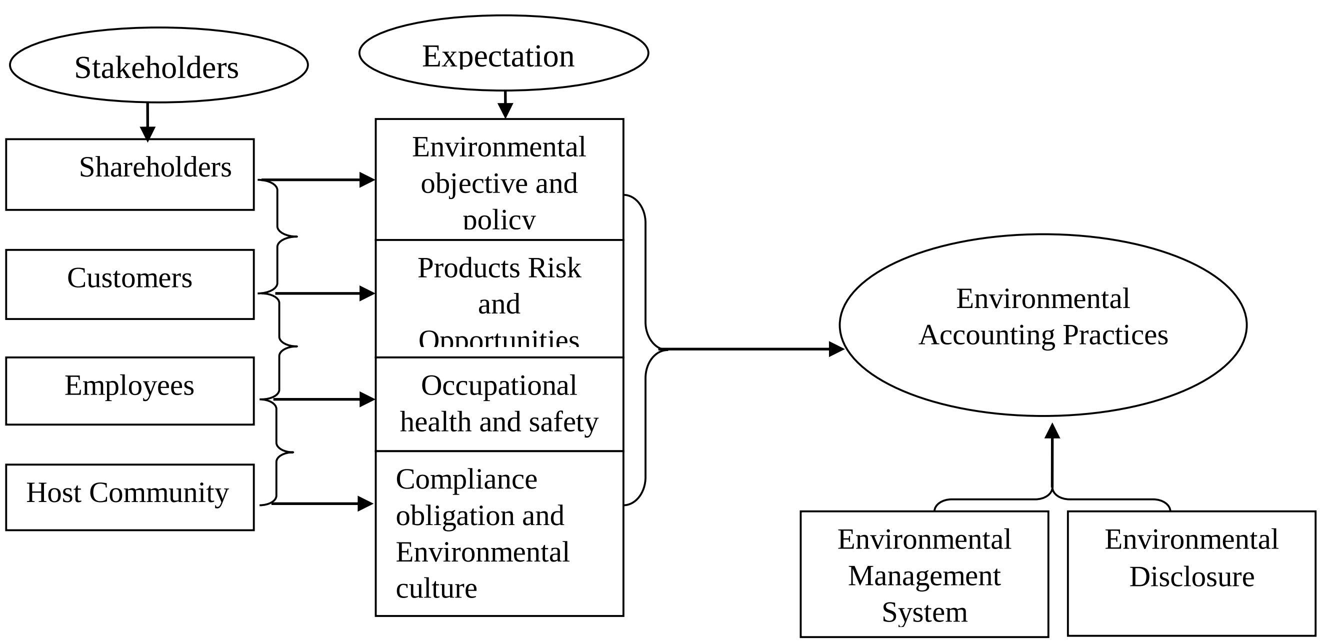


Figure 1: Conceptual Framework to Show Interaction between Stakeholders' Expectation and Environmental Accounting Practices

Stakeholder theory was proposed by R. Edward Freeman in his book entitled "Strategic Management: A Stakeholder Approach". Stakeholder theory emphasizes that beyond shareholders there are several agents that are interested in firms' actions and decisions (Fadun, 2014). As a management theory, it is concerned with the interrelationship between the company and its stakeholders in terms of a social contract (O'Donovan, 2002). Social contract portends that organizations should ensure its activities and performance satisfies social expectations in order to get rights of sustainable operation. Mohammed (2018) claims that businesses should be running their affairs taking into consideration all their stakeholders with a view of achieving sustainable development. According to the stakeholder theory, the principal function of managers is to tackle stakeholders' needs, expectations and manage conflicts among them (Hamza and Abdullha, 2018). This shows that the firm is not a mechanism to increase the financial returns of the stockholders alone but a vehicle for coordinating the interests of various stakeholders (Ali and Rizwan, 2013). Considering stakeholder's power, stakeholder theory contends that firm behaviour is conditioned by the pressures exercised on organizations by different stakeholders (Husillos and Álvarez-Gi, 2008).

Furthermore, legitimacy theory which originates from the concept of social contract which purports that how organizations act in line or otherwise with socially determined expectations is based on the perception of the firm by the stakeholders (Lim, Wilmshurst and Shimeld, 2010). Iredele and Ogunleye (2018), in a study of the environmental management accounting practices in Nigeria and South Africa, reported that the major limitation to environmental management accounting practices among sampled firms in Nigeria was institutional barriers. This barrier exists because of weakness of institutional forces such as government, shareholders and all other stakeholders in promoting an environmentally conscious society. The assertions above lead to the statement of the hypothesis.

H_{01}: Stakeholders' expectation does not have effect on environmental accounting practices of listed manufacturing firms in Nigeria

Empirical Review

Fatunsi (2015) examined environmental quality perception and management in industries in Ondo state, Nigeria. The main objective was to examine how the stakeholders in industries perceive their actions in term of environmental quality management in their plants relative to human ideals of welfare. A sample of 200 firms was taken for investigation. Two sets of questionnaire were administered on proprietors of firms and people living within100m radius of selected industries in each town which were identified and numbered during reconnaissance survey. Data were analyzed by using simple tables, Bar graphs and mean weighted values. The mean weighted value (MWV) of each category of response was compared with the Group Mean Weighted Value (GMWV) to isolate the most important responses of those interviewed. The result showed that out of the 200 residents sampled, majority 87.2% (191) believed they were injuriously affected by the operation of adjoining factories. Moreover there existed a discrepancy of opinion among proprietors and people living nearby on the assessment of environmental management technique adopted in managing wastes.

Hua-Hung, and Pei-Ching (2015) examined the effects of green innovation on environmental and corporate performance in Taiwan. The study sought to establish the relationships among stakeholders, green innovation, and performance. An empirical survey was conducted on 202 Taiwanese service and manufacturing companies. The study mainly used partial least square analysis (PLS) (Smart PLS 2.0) to test and analyze the hypotheses. The results showed pressure from competitors, government, and employee conduct encourages green innovation practices and the PLS analysis also revealed that pressure from customers and suppliers on green innovation practices did not significantly influence environmental practices.

Ogbodo (2015) investigated stakeholder approach to triple bottom line accounting in Nigeria. The study examined the perceived importance of triple bottom line disclosures' to stakeholders. Descriptive method of research design was employed to generate the required data. The population of the study was made up of three distinctive groups: investors, customers' and accountants. The primary data were summarized using tables and the formulated hypotheses analyzed using one-sample z test procedure done with the aid of SPSS version 20. Findings indicated that investors have no confidence in the use of triple bottom line report as a basis for choice of investment decision while, customers on the other hand do not rely on the use of triple bottom line report as a medium for assessing organizations' impact on the society. Accountants were negative on the level of rigor and transparency exerted in the preparation of triple bottom line report.

Fadun (2014) studied Corporate Social Responsibility (CSR) practices and stakeholders expectations in Nigeria. The objective was to identify stakeholders and stakeholders' expectations regarding CSR. Employees, customers, shareholders, and local communities were identified as the main stakeholders in the context of the business environment in Nigeria for the purpose of the study. Survey and quantitative research strategies were adopted for the study. 240 copies of questionnaire were administered to participants, selected through purposive sampling technique, in the six geopolitical zones of Nigeria. The findings indicate that CSR is concerned with treating stakeholders ethically; and that the four dimensions of CSR (economic, legal, ethical and philanthropic) are not ascribed equal importance in Nigeria. Nigeria's Stakeholders place more emphasis on economic, legal and ethical responsibilities than on philanthropic components.

Ndifon, Orok and Sackey (2014) conducted a study of development of environmental accounting and disclosure practices of manufacturing companies in Nigeria. The study assessed the development of environmental accounting and disclosure practices of manufacturing companies in Nigeria with emphasis on United Cement Company of Nigeria (UNICEM) Plc, Niger Mills Nigeria Plc and PAMOL Nigeria Ltd. Using questionnaire to gather data, the study employed independent t-test and Analysis of Variance (ANOVA) in the test of hypotheses. Findings of the study revealed that manufacturing companies do not charge environmental expenditures independently of other expenditures and the level of environmental cost awareness in manufacturing companies in Nigeria are not high.

Uwuigbe, Jimoh and Daramola (2013) studied corporate environmental accounting practice in Nigeria. The study aimed at a comparative analysis of the perceptions of preparers and users of accounting information towards the disclosure of environmental information in annual reports of organisations in Nigeria. A total of 450 copies of questionnaire were distributed (constituting a total of 150 each to represent the accountants, managers and the lobby groups in each of the three local government areas identified). The study observed that a total of 165 out of the 260 questionnaires retrieved were affirmative that environmental information should be disclosed in organisation's financial statements while 36.5% were of the opinion that the present (conventional accounting) system is sufficiently okay and therefore rejects the idea on the need for the disclosure of environmental information.

Asuquo (2012) studied environmental friendly policies and their financial effects on corporate performance of selected oil and gas companies in Niger Delta region of Nigeria. It was aimed at investigating if companies operating in the Niger Delta Region of Nigeria practiced environmental accounting to the extent of inclusion of environmental friendly policies, and if so, how this affects the profitability of these companies. Data were collected from both primary and secondary sources and the data were analyzed using simple ordinary least square regression method. It was revealed that the cost of ensuring environmental friendly policies as well as firm competitiveness have significant relationship with the firms' profitability and environmental friendly organization enjoy high level of corporate competitiveness resulting in high performance.

Onyali, Okafor, and Onodi, (2015) examined effectiveness of triple bottom line disclosure practice in Nigeria- Stakeholders perspective, with objectives of finding the perception of Nigerian investors and consumers towards corporate firms triple bottom line disclosure practice in Nigeria. The study adopted the descriptive research design, and the questionnaire used in the study was structured using a five point Likert scale. The data were summarized using tables and the formulated hypothesis was analyzed using one-sample z test procedure. Findings indicated that investors and consumers expressed dissatisfaction with the extent of firms TBL disclosure practice in Nigeria. In their own view, most Organizations' reports were often vague and far from the expression of actual performance.

Beredugo and Mefor (2012) studied the impact of environmental accounting and reporting on sustainable development in Nigeria. It seeks to evaluate the relationship between environmental accounting and reporting and sustainable development in Nigeria. They adopted a survey research design and Pearson correlation coefficient and OLS was employed for data analyses. It was discovered that there is a significant relationship between environmental accounting reporting and sustainable development and a statistically significant difference in the perception of preparers, auditors and users of accounting information on the consequences of non-compliance with environmental accounting and reporting.

Gap in Literature

After a thorough review of previous research, the following gaps were identified. Despite the recognition of stakeholders' interest, there is failure to find out the expectations of stakeholders' regarding environmental practices of firms. It's been overlooked as an important research topic by previous researchers (Yazbehl, 2010; Uwuigbe and Olusanmi, 2013). Also, knowing that the manufacturing industry has large number of firms which cut across seven sectors on the Nigeria stock exchange, previous researchers have based their research on selected firms or mainly on oil and gas firms while ignoring other manufacturing sectors. And lastly, studies in this area of accounting have majorly concentrated on content analysis method to describe environmental accounting practices of firms whereas the use of survey method may answer most of the questions regarding stakeholder's expectation of the practice. These are the gaps this study seeks to fill.

RESEARCH METHODOLOGY

The study used questionnaire survey to obtain information about stakeholders' expectations and environmental accounting practices among listed manufacturing firms. The use of qualitative methods is more appropriate in these circumstances as it helps to provide in-depth access to the experiences of the stakeholder group in question (Uwuigbe and Olusanmi, 2013). Hence, data were collected from primary sources through the use of questionnaire distributed to the target respondents. Prior literature (Fadun, 2014; Hamzah and Abudllah, 2018) has provided that selected stakeholder groups are the most relevant stakeholders and are mostly affected by the company activities. The target respondents are; employees, shareholders, customers and members of the host community of selected firms. Employees of the firms were chosen among the senior officers who could provide information that could meet the result of the study. The shareholders were located through their various registered associations, community leaders of the community where the firms are located are considered as host community and the customers that relate with the firms were also given questionnaire to fill.

The questionnaire is structured in a closed ended form with five-item Likert scale of highly expected, expected, indifferent, not expected, highly not expected. Reliability and validity of the research instrument was tested using the Cronbach alpha. The results obtained were 0.810 and standardized estimates of 0.876. The reliability value exceeded the threshold of 0.70 indicated by Nunnally (1978). Hence, the result shows that the questionnaire has a very high reliability value. The questionnaire was distributed to the respondents at their various locations and the filled questionnaire was later collected.

Population, Sample Size and Sampling Techniques

The target population of this study comprised the 67 listed manufacturing firms on Nigeria Stock Exchange as at year ended 2018. The firms classified as manufacturing companies on NSE cut across 7 sectors which are conglomerates, industrial goods, healthcare, oil and gas, natural resources, agriculture and consumer goods. The sample size of 24 used in the study was determined using purposive sampling technique to pick 30% of each sector population.

Research Instrument

A total no of 161 copies of questionnaire were distributed. The 161 copies were obtained using Taro Yamane's (1973) formula at 95% level of confidence. The questionnaire was divided into two sections namely A and B. Section A consists of background information about the companies; section B consist 23 statements that points to obtaining information about the expectation of respondents about environmental accounting practices of the listed firms. In developing the questionnaire, existing environmental standards that have been developed as a measure to instrumentally deal with stakeholder issues for example, the Sustainability Reporting Guidelines of the Global Reporting Initiative (GRI) and ISO 14001-2015 were used. The questionnaire was designed in such a way that a set of statements was used to assess each of the variables (environmental objectives and policies, product risk and opportunities, occupational health and safety, compliance obligation and company environmental culture).

Model Specification

To test the effect of stakeholders' expectation on environmental accounting practice, the model is specified in line with literature reviewed and ISO 14001-15 and GRI checklist.

$$EnvP = f\,(EOP, PRO, OHS, CO, CEC,) \quad \text{Equatn i}$$

$$EnvP = a + \beta_1 EOP + \beta_2 PRO + \beta_3 OHS + \beta_4 CO + \beta 5 CEC + e \quad \text{Equatn ii}$$

Where EnvP = Environmental Accounting Practices

EOP = Environmental Objectives and Policies

PRO = Product Risk and Opportunities

OHS = Occupational Health and Safety

CO = Compliance Obligation

CEC = Company Environmental Culture

Data Analysis Technique

Data were analysed using descriptive and inferential statistics. Frequencies and percentage distribution were used to analyse data on the background information. Mean score of responses were used to analyse the effect of stakeholders' expectations on environmental accounting practices of the listed manufacturing firms using multiple regression at five percent level of significance.

RESULTS AND DISCUSSION

Table 1 revealed the background information on the companies. According to the respondents, 116 (94.3%) of them are aware of their companies mission statement. Similarly 102 (82.9%) confirmed that their companies communicate its mission statement to stakeholders while the remaining 21 (17.1%) did not. Also from the table, 111 (90.2%) of the companies disclose their mission statement while the remaining 12 (9.8%) did not. Similarly 84 (68.3%) of the companies involve other stakeholders apart from board of directors in decision making while the remaining 39 (31.7%) does not. Only 101 respondents (82.1%) categorizes themselves as stakeholders while the remaining 22 (17.9%) do not see themselves as a stakeholders. The unbiased distribution of the instrument used in this study reveals that 23 (18.7%) were shareholders, 28 (22.8%) were customers, 42 (34.1%) were employees and 30 (24.4%) were members of the host community.

Table 1: Background information of respondents

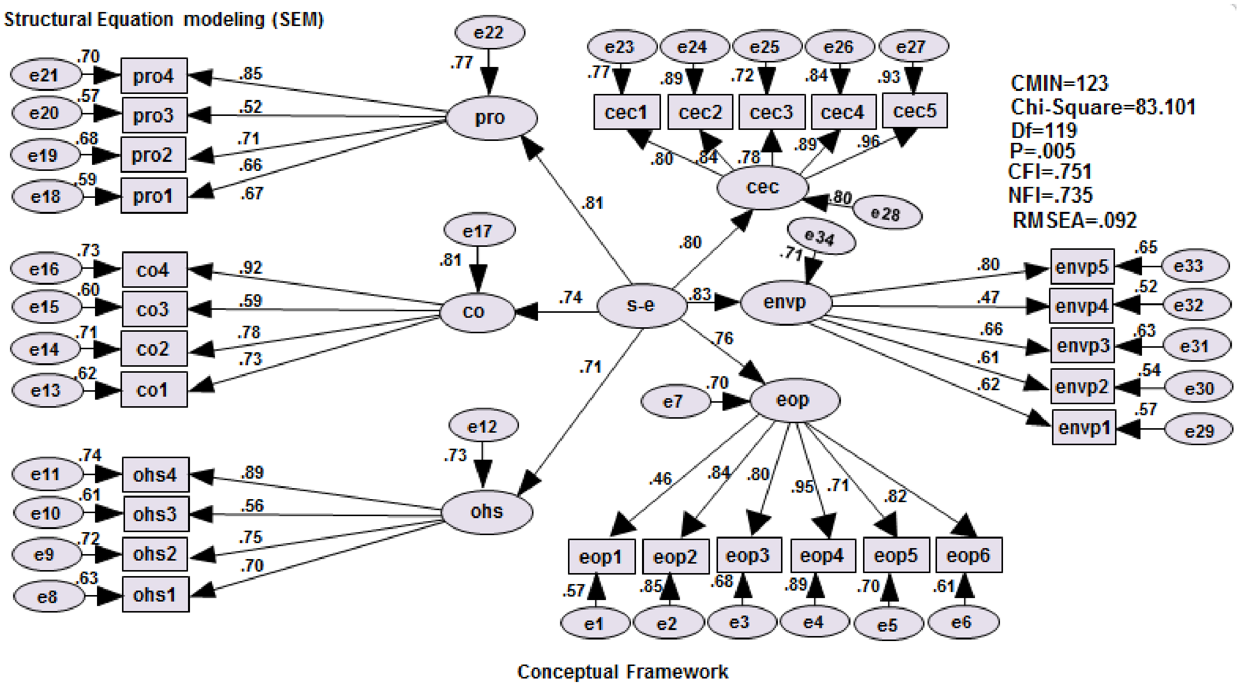
Variable		Frequency	Percentage
Does Your Company has mission statement?	Yes	116	94.3
	No	7	5.7
	Total	**123**	**100.0**
Is the mission statement communicated to all stakeholders?	Yes	102	82.9
	No	21	17.1
	Total	**123**	**100.0**
Are the missions & vision statement disclosed?	Yes	111	90.2
	No	12	9.8
	Total	**123**	**100.0**
Does your organization involve other stakeholders apart from board of directors in decision making?	Yes	84	68.3
	No	39	31.7
	Total	**123**	**100.0**
Can you categorize yourself as a stakeholder?	Yes	101	82.1
	No	22	17.9
	Total	**123**	**100.0**
Under which category do you belong?	Shareholders	23	18.7
	Customers	28	22.8
	Employees	42	34.1
	Host community	30	24.4
	Total	***123***	***100.0***

Expectations of Stakeholders Regarding Environmental Accounting Practices of Listed Manufacturing Firms in Nigeria

Structural Equation modeling (SEM) was used to test the relationships between observed and latent (unobserved) variables and confirm their relationships. In figure 2 below, it is established that identified variables (Environmental Objectives and Policies, Product Risk and Opportunities, Compliance Obligation, Company Environmental Culture and Occupational Health and Safety) as the expectations of stakeholders regarding environmental accounting practices since their values (i.e. 0.80, 0.76, 0.71, 0.74, and 0.81) are greater than 0.50%.

The result in figure 2 also indicates that there is a direct positive relationship between stakeholders' expectations and environmental accounting practices because it has statistical value of 0.83. This value shows that one-time increase in the stakeholders' expectations will lead to 83% increase in the standard deviation of environmental accounting practices in the sampled companies.

Figure 2:



Conceptual Framework

Effect of Stakeholders' Expectations on Environmental Accounting Practices

The test for the individual effect of stakeholders' expectations components on environmental accounting practices is shown in table 2. The table reveals that Environmental Objectives and Policies are statistically significant at 0.6% and its coefficients suggest that a one-time improvement in Environmental Objectives and Policies will increase environmental accounting practices by approximately 13.9%. Also Occupational Health and Safety is significant at 0.4% and a one-time improvement in Occupational Health and Safety will increase environmental accounting practices by approximately 5.9%. For compliance obligation, it is statistically significant at 4.1% and one-time improvement in it will increase environmental accounting practices by approximately 62.2%. Company Environmental Culture is significant at 2.2% and an improvement of it will increase environmental accounting practices by 18.5%. Only Product Risk and Opportunities is not statistically significant but one-time improvement of it will increase environmental accounting practices by approximately 5.9%.

This study shows that compliance obligation is very important for companies in improving their environmental practices as its effect is high. Regulators should ensure that companies are complying with national environmental laws and guidelines. The results also indicated that environmental culture of companies has effect on their involvement in environmental accounting practices. Environmental objectives and policies also have an effect on the firm's commitment to environmental responsibilities. The findings are similar to the study of Lindblom and Ohlsson (2011) which found out that government, top management, shareholders and employees represent the main stakeholders influencing the firm's environmental strategy. The findings further uphold the position of existing theories like stakeholders and legitimacy theory that stakeholders' expectation has significant effect on environmental accounting practices.

Table 2: Regression Results

Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	95.0% Confidence Interval for B		Collinearity Statistics	
	B	Std. Error	Beta			Lower Bound	Upper Bound	Tolerance	VIF
C	1.712	.653		2.621	.011	.411	3.014		
EOP	.139	.002	.225	2.687	.006	-.025	.302	.427	2.343
PRO	.059	.083	.110	1.712	.478	-.225	.106	.321	3.117
OHS	.059	.104	.084	2.564	.004	-.267	.149	.345	2.895
CO	.622	.086	.043	2.252	.041	-.192	.149	.265	3.777
CEC	.185	.059	.325	2.344	.022	-.343	.028	.394	2.537

[Summary Stat.]: R^2=0.823, DW Stat.= 1.992, F=1.210, Sig.= 0.028

a. Dependent Variable: ENVP

CONCLUSION

Based on the findings, it is concluded that the environmental accounting practices of firms are of concern to stakeholders because of the significance of their expectations in affecting environmental accounting practices of sampled firms. Since widely accepted environmental standards do not exist in Nigeria, it would be helpful to listed manufacturing companies to gather feedback and information from other stakeholder groups as to their expectations regarding their green accounting practices to help improve their environmental performance.

Based on the findings of the study it is recommended that manufacturing firms in Nigeria should make effort in ensuring that the expectations of stakeholders' are improved upon in their environmental management system while expected environmental information should be communicated to their stakeholders to create awareness about the firm environmental practices.

Linking the environment and the expectations of stakeholders' which the study has done has policy implications for companies. It will help companies concerned to develop good environmental policies that meet stakeholders' expectations, hereby increasing the quality of companies' reports, public appraisal of corporate reputation and brand images. Also, the integration of environmental culture in company's business strategy may necessarily involve redesigning the mission of the firm to incorporate the expectations of the stakeholders.

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