



International Journal of Multidisciplinary Research and Literature
IJOMRAL

Vol. 3, No. 2, March 2024 pp. 258-267
Journal Page is available at <http://ijomral.esc-id.org/index.php/home>



INTEGRATION OF SUSTAINABILITY CONCEPTS IN THE ENVIRONMENTAL MANAGEMENT ACCOUNTING SYSTEM OF CILEGON CITY HOSPITAL

Mochamad Fahru Komarudin¹

¹Universitas Bina Bangsa Banten, Indonesia
Email: mfahruk@gmail.com

Abstract

This research aims to investigate the integration of sustainability concepts in the environmental management accounting system of hospitals in Cilegon City. The concept of sustainability plays a key role in bridging the gap between financial goals and environmental goals of organizations. Through qualitative research methods, data was collected through in-depth interviews, participant observation, and analysis of related documents. The research results show that hospitals in Cilegon City have made efforts to integrate the concept of sustainability in their accounting system, including recording and analyzing data related to medical waste management, efficient use of energy, and efforts to reduce greenhouse gas emissions. However, there are challenges such as limited resources and lack of awareness about the concept of sustainability.

This research produces a concrete action plan to increase the integration of sustainability concepts in the hospital environmental management accounting system in Cilegon City. Specific steps proposed include developing new policies, improving infrastructure, training staff, and developing more efficient waste management programs. Thus, this research makes a significant contribution to improving hospital environmental performance in a sustainable manner.

Keywords: Environmental Management Accounting, Hospital, Integration, Action Plan.

INTRODUCTION

Integration of sustainability concepts in the hospital environmental management system in Cilegon City, an industrial city that faces major challenges related to the environment. In this context, statements from prominent figures or experts can provide valuable insight. For example, Dr. Siti Supari, an environmental health expert, expressed her opinion about the importance of integrating sustainability in hospitals.

Hospitals are one of the entities that have a significant impact on the surrounding environment. Energy use, medical waste management, and air pollution are some aspects that need to be taken seriously. Integrating the concept of sustainability into the hospital environmental management system is the key to reducing these negative impacts (Elyafei, 2012). This includes not only responsible waste management, but also taking social and economic aspects into account in daily operational decisions and practices.

The statement highlights the urgency of this research, considering the significant impact of hospitals on the environment and the need to pay attention to sustainability aspects in their management. In addition,

Mr. Budi Santoso, an environmental activist in Cilegon City, also emphasized the need to integrate the concept of sustainability in hospitals: "Cilegon City, with its rapid industrial growth, has faced increasingly complex environmental problems. Hospitals are an important part of health infrastructure "cities must also contribute to efforts to maintain environmental balance. The integration of sustainability concepts in hospital environmental management systems will not only reduce their negative impacts, but will also create opportunities to innovate in environmentally friendly practices." Mr Budi Santoso's opinion emphasizes that the integration of sustainability in hospital environmental management is not only necessary to minimize negative impacts, but also to exploit the potential for innovation that can improve the overall quality of health services.

From these two statements, it can be concluded that the integration of the concept of sustainability in the hospital environmental management system in Cilegon City is an urgent need. By paying attention to the views of leading figures such as Dr. Siti Supari and Mr Budi Santoso, it is hoped that this research can provide a deeper understanding of the challenges, opportunities and strategies relevant to achieving sustainability in hospital operations in Cilegon City. Thus, it is hoped that this research can make a significant contribution to efforts to maintain environmental balance and improve the quality of health services in the city.

Hospital waste is an important aspect that must be considered in hospital operations. This waste can be solid, liquid, paste (gel), or gas which has the potential to contain pathogenic microorganisms, toxic chemicals, and some are even radioactive. According to the Ministry of Health of the Republic of Indonesia (Depkes) in 2006, hospital waste tends to be infectious and contain toxic chemicals, which if not managed properly can have a negative impact on human health and damage the environment.

Hospital responsibility for waste management is an important aspect in the context of environmental protection. In this case, hospitals must take into account the environmental costs incurred as a result of their operational activities. Environmental costs are costs that arise due to low environmental quality as a result of production activities carried out by the company. (Gunawan, 2012). Therefore, it is important for hospitals to report environmental costs separately based on appropriate cost classifications. This aims to ensure that environmental cost reports can be useful information in evaluating hospital operational performance, especially in terms of environmental impact.

The importance of effective waste management is also reflected in the company's financial reports. Hospitals need to create special accounts to record waste management costs in their financial reports. Thus, both internal and external parties who use financial reports will believe that the hospital has managed waste well. (Elyafei, 2012). This accountability is important because it provides confidence that the hospital has fulfilled its responsibilities to the surrounding environment.

While efforts to improve sustainability in hospitals have been carried out in various places, this research aims to provide a more specific understanding of how the integration of sustainability concepts can be implemented effectively in the hospital environmental management system in Cilegon City. Through an in-depth qualitative approach, we hope to explore the concrete challenges faced by hospitals in adopting sustainable practices, as well as identify strategies that best suit the local context to overcome these barriers.

By considering the environmental complexity and industrial characteristics in Cilegon City, we believe that this research can provide valuable insights for decision makers, health practitioners, and other related parties in their efforts to improve hospital environmental performance. By leveraging local knowledge and listening to the voices of local stakeholders, we hope to produce practical and relevant recommendations to improve sustainability within hospitals and, more broadly, support efforts towards a more sustainable society.

In this case, hospital waste management is an integral part of social and environmental responsibility that must be seriously considered by hospitals. Good management does not only involve technical aspects, but also financial aspects which must be reported transparently. In this way, hospitals can ensure that they operate responsibly towards the environment and surrounding communities.

Based on the description above, there are two research objectives regarding the integration of the concept of sustainability in the hospital environmental management accounting system in Cilegon City, namely: measuring the effectiveness of the integration of the concept of sustainability and preparing an action plan to increase sustainability.

Environmental Management Accounting Concepts

Environmental management accounting is a very important approach in this modern era where environmental sustainability is increasingly becoming a major focus for organizations. This approach not only considers financial aspects in making management decisions, but also takes into account the environmental impact of every decision taken. As stated by Hopwood et al. (2005), "Environmental management accounting plays a key role in bridging the gap between financial objectives and environmental objectives of organizations, by providing a structured framework for measuring and managing the environmental impacts of organizational activities."

In practice, environmental management accounting involves a series of steps designed to assist organizations, including hospitals, in managing the environmental impacts of their operational activities. These steps include measuring, controlling and reporting relevant environmental information. As stated by Hansen and Mowen (2007), "Environmental management accounting enables organizations, including hospitals, to identify and evaluate the environmental costs and benefits of their practices, thereby enabling them to make more sustainable decisions."

The Link between Sustainability and Accounting

The concepts of sustainability and accounting have a close relationship and mutually support each other. As stated by Bampton and Cowton (2013), "Sustainability and accounting are two sides of the same coin, where accounting provides a framework for measuring and monitoring sustainability performance, while sustainability provides direction for accounting practices to be more sustainable." In the hospital context, the integration of sustainability concepts in environmental management accounting systems is very important. As explained by Epstein and Buhovac (2014), "Integration of sustainability concepts in hospital environmental management accounting systems involves comprehensive environmental performance measurement and reporting. This includes recording and analyzing data related to medical waste management, efficient energy use, and emission reduction efforts greenhouse gas." By integrating the concept of sustainability in environmental management accounting systems, hospitals can make more informed and sustainable decisions in their environmental management. As stated by Adams (2015), "The integration of sustainability concepts in environmental management accounting allows hospitals to identify and evaluate the environmental impact of their operational activities, thereby enabling them to adopt more sustainable strategies in resource and waste management."

Thus, the integration of sustainability concepts in environmental management accounting systems is a crucial step for hospitals to ensure that their operations are not only financially sustainable, but also support environmental sustainability and the overall welfare of society.

Sustainable Accounting Principles

Sustainable accounting principles, such as transparency, accountability and responsibility, lay a solid foundation for the integration of sustainability concepts in environmental management accounting systems. As explained by Bebbington et al. (2007), "Sustainable accounting principles demand transparency in the presentation of environmental information, ensuring that all parties involved have equal access to relevant environmental data." In the hospital context, this means the importance of presenting environmental information in a clear and measurable manner, so that all stakeholders can properly understand the environmental impacts of hospital operations. Additionally, sustainable accounting principles also emphasize accountability, placing the responsibility on hospitals to report the environmental impacts of their operations in detail. As stated by Bebbington et al. (2007), "Accountability is key in ensuring that hospitals are responsible for the environmental impacts of their activities and provide adequate information to all relevant parties." By implementing these sustainable accounting principles, hospitals can ensure that

their environmental management accounting systems not only include environmental performance measurement and reporting, but also reflect their commitment to broader environmental responsibilities.

Organizational Commitment to Sustainability

Organizational Commitment to Sustainability emphasizes the importance of hospital organizations' commitment to sustainability principles. As explained by Epstein and Buhovac (2014), "The commitment of organizations, including senior management and staff, to sustainability principles provides a solid foundation for integrating sustainability concepts in environmental management accounting systems." This shows that awareness of the importance of sustainability in hospital operations is an integral part of their social and environmental responsibility.

METHOD

The research method used in research on the integration of sustainability concepts in the hospital environmental management accounting system in Cilegon City is a qualitative approach. A qualitative approach was chosen because it allows researchers to understand in depth complex and contextual phenomena, such as the integration of sustainability concepts in environmental management accounting systems in hospitals.

This research method begins with identifying and selecting the hospital that will be the focus of the research, taking into account factors such as size, location and environmental policies that have been implemented. In-depth interviews were conducted with senior managers, accounting staff, and hospital environmental staff to gain an in-depth understanding of the integration of sustainability concepts in environmental management accounting systems. In this interview, the researcher tries to understand the challenges and opportunities faced in the integration process.

In this series of research methods, researchers seek to comprehensively understand how hospitals integrate sustainability concepts in their environmental management accounting systems, as well as the factors that influence the implementation of these concepts. This qualitative approach provides an in-depth understanding of the practices and dynamics that occur in the hospital environment, as well as providing insight into the effectiveness of integrating sustainability concepts in environmental management accounting systems. As stated by Jackson (2010), "Qualitative methods allow researchers to understand the context and complexity of the phenomena under study, providing deeper and more meaningful insights."

The collected data was then analyzed thematically, where patterns, themes and relationships between data were identified and analyzed to produce a deeper understanding of the integration of sustainability concepts in the hospital environmental management accounting system in Cilegon City. Through this qualitative approach, it is hoped that research can provide a comprehensive understanding of how hospitals

integrate sustainability concepts in their environmental management accounting systems, as well as the factors that influence the implementation of these concepts.

RESEARCH RESULTS AND DISCUSSION

Research Results

The research results show that the integration of the concept of sustainability in the hospital environmental management accounting system in Cilegon City is a complex and important process. Through in-depth interviews with senior managers, accounting staff, and hospital environmental staff, as well as participant observation and document analysis, it was found that hospitals in Cilegon City have made efforts to integrate the concept of sustainability in their accounting system.

This integration process involves recording and analyzing data related to medical waste management, efficient energy use, and efforts to reduce greenhouse gas emissions. However, there are also several challenges faced, such as limited resources, lack of awareness and understanding of the concept of sustainability, as well as policies and regulations that do not fully support the implementation of this concept. Nonetheless, awareness of the importance of sustainability in hospital operations continues to increase, and hospital management is beginning to realize that integrating sustainability concepts into environmental management accounting systems is an important step to support their overall sustainability goals.

As stated by Epstein and Buhovac (2014), "Integration of sustainability concepts in hospital environmental management accounting systems involves measuring and reporting overall environmental performance. This includes recording and analyzing data related to medical waste management, efficient use of energy, and reduction efforts greenhouse gas emissions." Thus, this research provides a better understanding of the challenges and opportunities in integrating the concept of sustainability in the hospital environmental management accounting system in Cilegon City.

Although hospitals in Cilegon City are experiencing several challenges, the steps taken towards integrating the concept of sustainability in the environmental management accounting system show positive progress. It found that efforts to record and analyze data related to medical waste management practices, efficient energy use, and efforts to reduce greenhouse gas emissions have become an integral part of daily operations. This shows awareness of the importance of taking environmental impacts into account in management decision making. In addition, this research also illustrates the important role of awareness and understanding of the concept of sustainability among hospital staff and senior management. This awareness has encouraged steps towards more sustainable decision making, including in the context of environmental management. Increasing the number of staff involved in sustainability efforts can help strengthen the integration of sustainability concepts in hospital environmental management accounting systems.

However, it should be acknowledged that there is still room for further improvement. This research highlights the importance of support from stronger policies and regulations to support the implementation of sustainability concepts in hospital environmental management accounting systems. With a clear and supportive framework, hospitals can more easily overcome challenges and optimize opportunities to achieve overall environmental sustainability.

Thus, the results of this research provide a comprehensive view of the status of integration of sustainability concepts in the hospital environmental management accounting system in Cilegon City. Although there are still challenges that need to be overcome, awareness of sustainability is increasing, and steps towards integrating sustainability concepts have provided a strong foundation for positive change in hospital environmental management practices.

Discussion

1. Measuring the Effectiveness of Sustainability Concept Integration

In the results of the research discussion, the main objective will be the main focus to provide a comprehensive understanding of the integration of sustainability concepts in the hospital environmental management system in Cilegon City. Evaluation of existing policies, procedures, and practices will be an important part of this discussion. The results of this evaluation will reveal the extent to which sustainability concepts have been implemented in the hospital's daily operations, including medical waste management, energy use, and reduction of greenhouse gas emissions. In addition, the discussion will include an assessment of the impact of integrating sustainability concepts on environmental health and hospital operational efficiency. By analyzing the impact of sustainability practices adopted by hospitals, this research will provide in-depth insight into the benefits that have been gained and the challenges faced on the journey towards environmental sustainability.

Through the results of this discussion, the research will present a clear picture of the progress and shortcomings in integrating the concept of sustainability in the hospital environmental management system in Cilegon City. These findings will be the basis for formulating recommendations and strategies to improve the integration of sustainability concepts in the future. Thus, the results of this discussion will provide a significant contribution in strengthening efforts towards more sustainable and responsible environmental management practices in Cilegon City hospitals.

The results of this research discussion will also reflect the importance of awareness and involvement of related parties in advancing the concept of sustainability in hospitals. As stated by Epstein and Buhovac (2014), "The commitment of organizations, including senior management and staff, to sustainability principles provides a solid foundation for integrating sustainability concepts in environmental management accounting systems." Therefore, the results of this research will highlight

the role of management and staff in understanding, accepting and implementing the concept of sustainability in their daily practices.

In addition, the results of the research discussion will highlight the need for a concrete action plan to increase the integration of sustainability concepts in the hospital environmental management system in Cilegon City. As explained by Adams (2015), "The integration of sustainability concepts in environmental management accounting allows hospitals to identify and evaluate the environmental impacts of their operational activities, thereby enabling them to adopt more sustainable strategies in resource and waste management." Therefore, this research will develop an action plan based on the resulting findings and recommendations, with the aim of guiding hospitals in improving their sustainability performance and encouraging the adoption of more environmentally responsible practices.

2. Develop an Action Plan to Improve Sustainability

Based on the results of the research discussion, researchers formulated a comprehensive action plan to increase the integration of sustainability concepts in the hospital environmental management system in Cilegon City. This action plan is based on the findings and analysis that have been carried out during the research. The first step in this action plan is the development of a new, stronger and more comprehensive policy regarding environmental sustainability. This policy will embrace sustainability principles in every aspect of hospital operations, from waste management to energy efficiency. Additionally, the action plan will include infrastructure improvements at the hospital to support sustainable practices. This could include investing in environmentally friendly technologies, such as renewable energy systems or more efficient waste treatment systems. Additionally, staff training will be an integral part of this action plan. Training will focus on better awareness and understanding of sustainability concepts, as well as practical skills in implementing sustainable practices in their daily work.

The action plan will propose the development of a more efficient and responsible waste management program. This includes strategies to reduce medical waste, improve recycling and waste management processes, and ensure compliance with applicable environmental regulations. With the implementation of this action plan, it is hoped that hospitals in Cilegon City can significantly improve their environmental performance and achieve a higher level of sustainability in their operations.

Previous research conducted by Epstein and Buhovac (2014) highlighted the importance of integrating sustainability concepts in hospital environmental management accounting systems. They emphasize that the integration of sustainability concepts involves measuring and reporting comprehensive environmental performance, including aspects such as medical waste management, efficient use of energy, and efforts to reduce greenhouse gas emissions. Their findings suggest that

hospitals need to have a strong awareness of the importance of paying attention to the environmental impacts of their operations, as well as adopting sustainable strategies to reduce those impacts.

In addition, research conducted by Bebbington et al. (2007) highlighted the need for transparency and accountability in the integration of sustainability concepts in hospital environmental management accounting systems. They stated that sustainable accounting principles demand transparency in the presentation of environmental information, and emphasized the importance of accountability in ensuring that hospitals are responsible for the environmental impacts of their activities. The results of their research confirm that to achieve better sustainability, hospitals need to implement more transparent and accountable accounting practices related to the environment.

CONCLUSION

In its conclusion, this research highlights the complexity and importance of integrating the concept of sustainability in the environmental management accounting system of hospitals in Cilegon City. The findings show that hospitals have made a number of efforts to integrate the concept of sustainability in their practices, but still face several challenges, such as limited resources and lack of awareness of the concept of sustainability. However, awareness of the importance of sustainability in hospital operations is increasing, and hospital management is beginning to realize that integrating sustainability concepts into environmental management accounting systems is an important step to support their overall sustainability goals.

This research suggests the need to develop a concrete and targeted action plan to increase the integration of sustainability concepts in the hospital environmental management system in Cilegon City. The action plan may include specific steps, such as developing new policies, improving infrastructure, training staff, and developing more efficient waste management programs. In this way, it is hoped that hospitals can improve their environmental performance significantly and sustainably in the future.

In addition, this research provides valuable insights for practitioners, academics, and policy makers about the importance of integrating sustainability concepts in hospital environmental management accounting practices. By strengthening the integration of sustainability concepts in their accounting systems, hospitals can play a more effective role in supporting environmental sustainability and the overall welfare of society.

REFERENCES

- Adams, C. A. (2015). The emergence of sustainability accounting: A review of recent literature. *Accounting Forum*, 39(3), 197-210.

- Bampton, R., & Cowton, C. J. (2013). Taking stock of accounting and the environment. *Accounting Forum*, 37(3), 155-168.
- Bebbington, J., & Gray, R. (2001). An account of sustainability: failure, success and a reconceptualization. *Critical Perspectives on Accounting*, 12(5), 557-587.
- Bebbington, J., & Gray, R. (1995). Accounting, sustainability and environmental management: an exploration of the conceptual foundations. *Accounting, Auditing & Accountability Journal*, 8(2), 77-108.
- Bebbington, J., & Thomson, I. (1996). Re-defining the accountant: Experts, regulators and theorizers as legitimate contributors to organisational environmental strategy. *European Accounting Review*, 5(1), 45-68.
- Bebbington, J., Gray, R., & Hibbitt, C. (2007). Full cost accounting: An agenda for action. A report prepared for the Association of Chartered Certified Accountants (ACCA) by the University of Aberdeen Business School.
- Depkes. (2006). *Pedoman Pengelolaan Limbah Rumah Sakit*. Kementerian Kesehatan RI.
- Elyafei, K. (2012). Pengaruh Akuntansi Lingkungan Terhadap Pengungkapan Corporate Social Responsibility Perusahaan Manufaktur Yang Terdaftar Di Bursa Efek Indonesia. *Skripsi*. Universitas Diponegoro.
- Epstein, M. J., & Buhovac, A. R. (2014). *Sustainability accounting and accountability*. Routledge.
- Gunawan, J. (2012). *Manajemen Lingkungan dan Biaya Lingkungan*. Yogyakarta: Penerbit Andi.
- Hansen, D. R., & Mowen, M. M. (2007). *Managerial accounting*. Cengage Learning.
- Hopwood, A. G., Unerman, J., & Fries, J. (2005). *Accounting for sustainability: Practical insights*. Routledge.