

ACCOUNTING PROFESSION IN THE MIDST OF GREEN ECONOMY TRANSITION: A LITERATURE REVIEW

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Abstract:

The accounting profession now faces new opportunities and challenges as a result of the shift to a green economy. In addition to producing standard financial statements, accountants must also be able to incorporate sustainability data into reporting and decision-making. Using a descriptive-qualitative approach to the relevant literature, this review seeks to examine the strategic role that the accounting profession plays in promoting a green economy. The study findings suggest that despite the greater need for accountants with sustainability expertise, educational institutions and the business community are still not as prepared as they should be. Key barriers include issues such as a lack of professional training, limited coverage of green accounting curricula, and the administrative nature of the accountant's role. For accountants to contribute strategically to sustainable development, curriculum reform, ongoing training, and organizational culture change are needed. The study highlights the importance of reimagining accountants as a key force behind environmentally and socially conscious corporate practices.

Keywords: Accounting Profession, Green Economy, Green Accounting, Sustainability, ESG Reporting, Accounting Education

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INTRODUCTION

The green economy has become a major area of emphasis in global development in recent years due to increasing pressures from climate change, exploitation of natural resources, and consumers demanding businesses with sustainable practices. The transition to a green economy requires businesses to apply sustainability principles in every aspect of their operations, including reporting and decision-making based on environmental data. According to the LinkedIn Green Skills Report (2023), the demand for professionals with sustainability skills increased by 12.3% over one year, with the accounting profession being one of the most recruited to manage ESG and sustainability reporting. This implies that accountants are no longer just financial statement keepers, but are becoming an integral part of driving the green economy transformation in various organizations. However, the reality on the ground shows that this transformation still has a number of challenges, especially in terms of the readiness of human resources in the accounting field. Based on research conducted by Armadhana et al. (2024), it was found that out of 19 vocational education institutions studied, only two institutions had implemented green accounting courses in their curriculum. This is a reflection of the inequality between the need for sustainability skills and supporting formal learning. As a result, accounting graduates are not well equipped to make positive contributions to sustainability reporting, environmental audits, and socio-economic impact analysis needed in the green economy era. This unpreparedness threatens the performance of accountants in responding to global issues and suggests the need for a remapping of the curriculum and more reactive professional training.

The gap occurs not only in education but also at the level of professional practice. In a study conducted on Indonesian companies that have won the PROPER award, Reinamah et al. (2024) showed that although green accounting reporting has improved financial performance, especially in terms of return on assets (ROA), there are still many companies that do not have an organizational structure and governance that fully supports sustainability. Although accountants have indeed been assigned to prepare sustainability reports, the role is still more administrative than fully strategic. This supports the

claim that, in addition to macro policies, adjustments to organizational culture and restructuring the role of the accounting profession in the green economy are also needed.

Strategic industrial sectors such as manufacturing, infrastructure, and energy are also experiencing increasing demand for the green economy. Fitriani et al. (2024) studied one of the subsidiaries of PT. Pertamina found that the implementation of green economy strategies, especially those related to waste management, energy efficiency, and carbon emission reduction, not only improves the company's financial resilience but also improves its environmental reputation. Financial parameters such as return on assets (ROA) and profit margins indicate that businesses that incorporate sustainability into their operations earn stable profits in the long term. These findings confirm the viability of the green economy as a profitable, realistic, and sustainable business strategy. Based on these dynamics, it is apparent that the accounting profession is at a critical point, especially between the need to adapt to the demands of the green economy and the limited capacity that still needs to be improved. Accountants are now responsible for providing accurate, transparent, and relevant environmental information to stakeholders in addition to upholding the integrity of financial statements. To better investigate how the role and competence of the accounting profession have and are developing in the context of the green economy, this literature review is relevant to conduct. The purpose of this study is to compile various scientific works that discuss both variables, show the relationship and challenges between the two, and provide recommendations related to strengthening the role of the accounting profession in supporting sustainable development.

METHODS

In the study "Accounting Profession in the Midst of Green Economy Transition: A Literature Review," a literature review method with a descriptive qualitative approach was used to analyze the role of the accounting profession in the transition process towards a green economy. This method was chosen to collect, analyze, and synthesize relevant and recent scientific literature, with the aim of providing a comprehensive picture of green accounting, as well as the challenges and opportunities for the accounting profession in supporting a sustainable economy. The literature was searched using keywords such as "green accounting," "accounting profession," and "green economy" in various academic databases and digital libraries. Articles were selected based on the relevance of the topic, the quality of the methodology, and their contribution to the development of green accounting science. Data analysis was carried out thematically, by identifying the main concepts, roles, benefits, and obstacles faced by the accounting profession in implementing green accounting. The results of the study are presented in narrative form to provide an in-depth understanding of the strategic position of accountants in supporting sustainable business practices and the transition to a green economy.

RESULT AND DISCUSSION

The results of this study indicate that the accounting profession is currently at a critical point in supporting the transition to a green economy. Accountants no longer only play a role as recorders and preparers of financial reports, but must also be able to understand and manage data related to environmental, social, and economic sustainability. The demand for accountants who master sustainability issues is increasing. Data from the LinkedIn Green Skills Report (2023) noted that the demand for professionals with skills in sustainability increased by 12.3% in just the past year. This means that today's accountants are required not only to be proficient in numbers but also sensitive to the environmental and social impacts of business activities. Unfortunately, conditions in the field do not fully support this change. Research by Armadhana et al. (2024) found that of the 19 vocational education institutions studied, only two had taught green accounting courses. This shows that accounting education is not ready to meet the needs of the world of work that continues to develop towards sustainability. In terms of practice in the industrial world, a study by Reinamah et al. (2024) found that companies in Indonesia that have implemented green accounting have experienced an increase in financial performance, especially in the return on assets (ROA) indicator. However, the role of

accountants in this reporting still tends to be administrative, not yet at the level of strategic decision-making. This means that there is still much room to be improved so that accountants can really be involved in supporting corporate sustainability.

Furthermore, research by Fitriani et al. (2024) at a subsidiary of PT Pertamina proved that the implementation of green economy strategies, such as waste management and energy efficiency, not only makes companies more economical and financially resilient but also improves the company's image in the eyes of the public. This shows that sustainability is not just an additional burden, but can be a profitable business strength. However, not all green accounting implementations are effective. Several studies, such as those presented by Saumalia & Tjandrakirana (2025), show that the implementation of green accounting is sometimes only symbolic, used for image purposes alone, without having a real impact on the environment. Overall, the main challenges in strengthening the role of accountants in the green economy lie in three things: (1) the uneven distribution of green accounting education curricula, (2) the lack of relevant professional training, and (3) the need for changes in organizational culture that support the strategic role of accountants in sustainability. By addressing these three things, the accounting profession can make a real contribution to creating more responsible and sustainable business practices in the future. According to Bonaraja Purba et al. (2024), it was found that the implementation of a green economy can significantly increase sustainable economic growth. Efficient use of resources, reduced energy costs, and the adoption of environmentally friendly technologies are not only able to reduce the burden on the environment, but also increase business competitiveness. In this context, the green economy is considered capable of creating long-term economic stability, especially through reduced operating costs and increased productivity.

In addition, this study also emphasizes the importance of technological innovation and the active role of government policies in supporting the green economy ecosystem. For example, incentives for renewable energy or carbon taxes can trigger the birth of new, more environmentally friendly industries. If this is supported by accurate and transparent green accounting, companies will not only gain economic benefits but will also be able to build a better reputation in the eyes of the public. From the research of Nurseha et al. (2024), there is a strong emphasis on the role of the younger generation and aspects of legal regulation. This study shows that the younger generation in Indonesia has great potential in driving the implementation of the green economy. However, this success is highly dependent on how strong the government's commitment is in creating supporting regulations. Law No. 32 of 2009 concerning Environmental Protection and Management is referred to as the main foundation that regulates the course of the green economy transition. This study also emphasizes that the transition to a green economy can open up new job opportunities (green jobs) and improve people's welfare. It is even estimated that it can contribute up to 14% to the national GDP and create more than 19 million new jobs in a decade. However, implementation in the field still faces major obstacles, such as limited funding, weak awareness of business actors, and low sustainability literacy among professionals, including accountants.

In the research of Aziz & Kholmi (2024), there was a finding that green accounting has a positive effect on company profitability, which has direct consequences for the development of the accounting profession in the transition to a green economy. In the green economy era, accounting is not only tasked with recording and reporting financial activities alone, but also functions as a strategic instrument in measuring and reporting the company's environmental responsibility. Therefore, the accounting profession is required to master environmental reporting methods, including identification, measurement, and disclosure of environmental costs that can affect stakeholder perceptions and the sustainability of the company's business. Thus, within the framework of the transition to a green economy, the accounting profession faces consequences in the form of expanding roles, increasing competence, and responsibility to create value through reporting that covers environmental and social aspects in a measurable and impactful manner. Accountants are no longer only responsible for the accuracy of financial data, but also environmental sustainability and public trust in the company.

The results of the research by Kholmi and Nafiza (2022) highlight an important point that is very relevant to the transition to a green economy, namely, the significant influence of corporate social responsibility (CSR) on company profitability. The findings indicate that social reporting has a direct influence on market and investor perceptions and is able to increase company value. In this context, the accounting profession has the consequence of developing its capacity in preparing sustainability reporting that is integrated with financial statements, in accordance with global standards such as GRI and other sustainability reporting practices. Thus, accountants are required not only to be reporters of financial information but also to be facilitators of the integration of social, environmental, and financial data that is the basis for decision making by investors and other stakeholders.

CONCLUSION

The accounting profession plays a strategic role in supporting the transition to a green economy by integrating environmental and social aspects into financial reporting practices. The demand for accountants with sustainability skills is increasing significantly, but there is still a large gap in formal education and training related to green accounting, so that accounting graduates are not fully prepared to face this challenge. In the world of practice, although the implementation of green accounting has been proven to improve financial performance and corporate reputation, the role of accountants still tends to be administrative and not optimal in strategic decision-making. In addition, the success of the green economy is also greatly influenced by government regulations, technological innovation, and changes in organizational culture that support sustainability. Therefore, strengthening the curriculum, professional training, and restructuring the role of accountants are very much needed so that this profession can make a real contribution to creating responsible and sustainable business practices, while encouraging stable and profitable green economic growth for society and the environment.

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