

## **Factors influencing the adoption of environmental management accounting practices among listed manufacturing companies in Colombo Stock Exchange in Sri Lanka**

**E.P.T. Udeshika and K.J.S. Madhusanka**

Department of Accountancy and Finance, Faculty of Management Studies,

Rajarata university of Sri Lanka, Mihintale, Sri Lanka.

Corresponding author: [thushaniudeshika1992@gmail.com](mailto:thushaniudeshika1992@gmail.com)

### **Abstract**

This study was conducted to examine the factors influencing of environmental management accounting practices adoption among manufacturing companies in Sri Lanka, special references with listed manufacturing companies in the Colombo Stock Exchanges. The motivation for the choice of industry stems from the fact that manufacturing companies consume great amount of resources in producing the product. The study focused the problem “what are the factors influencing the adoption of environmental management accounting practices among manufacturing companies in Sri Lanka. This is an explanatory study based on analysing survey method of primary and secondary data to answer the research problem. Objective of the research is to investigate the level of adoption of environmental management accounting practices among manufacturing companies in the Colombo Stock Exchange. Literature survey bordering on the areas of environmental management accounting practices was reviewed. Influencing factors for environmental management accounting practices adoption is employed as independent variable and parameters that were used to measure independent variable are firm size, firm age, regulatory compliance, financial performance, environmental strategy and level of manufacturing technology whereas the level of adoption environmental management accounting practices among manufacturing companies is the dependent variable. A convenient sampling method was used to collect data and 36 manufacturing companies which are listed in CSE were sampled. The study used questionnaire method for collecting data. According to the collected data, positive results were generated from used statistical techniques such as correlation and regression. The result showed all independent variables have a positive and direct impact on environmental management accounting environmental management accounting practices adoption among manufacturing companies in Sri Lanka. As a developing country investigates about this area is more important. More importantly, this study has opened up possibilities for further research into environmental management accounting adoption in Sri Lanka and other developing countries, and worldwide.

**Keywords:** *Colombo Stock Exchange, environmental management accounting manufacturing companies.*