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A REVIEW OF FACTORS INFLUENCING THE ADOPTION OF GREENWASHING IN MANAGEMENT ACCOUNTING

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Abstract
Greenwashing is a practice when businesses deceive customers about how green they are or the environmental advantages of an item or service, by deploying green marketing strategies to get an edge on the competition and attract clients who care about the environment. However, certain green marketing claims, or practising "greenwashing, do not accurately represent how companies act about the environment. An awareness of the variables affecting the adoption of greenwashing techniques in various nations. Since the word "greenwash" was coined, references have been more prevalent in literature, with a dramatic rise in publications. The institutional mechanisms—mimetic pressures, normative pressures, and coercive pressures—that will affect the adoption of greenwash practices in management accounting are examined in this essay, together with the current crisis of confidence.

Keywords: Adoption of Greenwashing, Coercive Pressure, Normative Pressure, Mimetic Pressure, and Crisis of Confidence.

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1.0. INTRODUCTION

As knowledge of "greenwash" spreads globally, stakeholders are starting to realise that the dominant paradigm of industrialization, economic growth, and development is pushing the planet's capacity beyond what is natural and biologically possible (Blewitt, 2015). Ensuring that future generations can handle the situation better than the present is essential for sustainability (Barbier & Burgess, 2015). The demand for information on corporate practices has grown as interest in protecting against greenwashing has grown. Due to this, accounting is becoming increasingly important in enabling organisations to evaluate their performance and the effect of greenwashing on the one hand and to provide the necessary environmental statistics on the other (Jalaludin et al., 2011; Abdo & Aldrugi, 2012). Greenwashing is a hazard for industries since it is being criticised as mere public relations efforts by concerned individuals. For instance, when it made unsubstantiated claims that it had reduced its water consumption by around 4% yearly to lessen its water footprint, the company that makes Coca-Cola came under fire and was given a Polaris Institute "greenwashing award" (Lyon & Montgomery, 2013).

Additionally, businesses are taking financial risks when making false promises about green. The three institutional processes - coercive pressures, mimetic pressures, and normative pressures - impact the adoption of greenwash practices, according to studies that used institutional theory to investigate why businesses are inclined to implement environmental management accounting practices (Hussain & Gunasekaran, 2002). Greenwashing may diminish the trustworthiness of an organization's environmental effects (Hsu, 2011). By pointing out that past research has discovered an unfavourable or worse effect, the authors also investigate the loss of trust that greenwashing produces in society as well as an unclear anticipated financial gain. There are currently two trends to be cautious of while thinking about greenwashing. The fast-rising incidences of "greenwashing," which might have extremely negative effects on consumer trust in green products, may hurt the overall market for environmentally friendly products and services.

The term "greenwashing" has no agreed-upon meaning. However, in the context of the finance sector, "greenwashing" often refers to a false, fraudulent, or misleading statement or representation of the kind and degree to which a financial product, investment strategy, or firm has a beneficial influence on the environment or the climate. It happens when a firm claims to have a net positive or net neutral impact on the environment, but its business model, activities, or goods may hurt the environment. Furthermore, it is now more frequently acknowledged that greenwashing need not be intentional; instead, it can occur whether or not the party engaging in it is meant to deceive purposefully. An evaluation is often done considering the complete situation, focusing on how the representation or statement is seen. Although the word "greenwashing" is occasionally used to refer to deceptive behaviour concerning social or governmental issues, its traditional use is in connection with environmental claims. This manual only addresses greenwashing in terms of environmental matters.

Greenwashing is done to increase a company's market share (Chen & Chang, 2013), although it would harm the overall green movement (Hamann & Kapelus, 2004). The largest danger of greenwashing is losing customer confidence in green marketing initiatives (Polansky et al., 2010). This study will look at how corporations' use of greenwashing methods is impacted by external stakeholders. As in stakeholder theory, many stakeholders pressure management's decision-making (Edward Freeman, 1984). They may be divided into internal and external stakeholders, and this study focuses on how external stakeholders affect how businesses make decisions.

Suppliers, customers, rivals, regulatory agencies, the government, and society are examples of external stakeholders. Different levels of external pressure influence firms' decisions to become green in response (Bansal and Roth, 2000). Stakeholders in this sustainable era are pressuring businesses to decrease their negative reputations (Talbot et al., 2020). These stakeholders exert influence over companies to operate more sustainably and with greater environmental care (Yasmeen et al., 2019). To represent themselves as environmentally friendly businesses, organizations are ultimately greatly motivated to choose a variety of meaningful and symbolic sustainable initiatives (Schons & Steinmeier, 2016). However, such intense pressure from these stakeholders may also cause businesses to disclose green efforts misleadingly (Vlchez et al., 2020). After thoroughly reviewing the literature and examining the business environment, it was found that the overwhelming demand for green products worldwide, governmental regulation, and industry competition pressure are among the main factors driving businesses to use greenwashing techniques.

Greenwashing is the creation, analysis, and utilization of financial data connected to the environment to assist in business decision-making (Bartolomeo et al., 2000). As a result, greenwashing explicitly considers a company's environmental-related operations from an economic perspective, especially in terms of dollars and cents (Schaltegger & Burritt, 2000). Accounting professionals may track and treat environmental expenditures and revenues using "greenwashing," which makes it possible to connect environmental actions to a company's past, present, and future financial stocks and flows (Burritt et al., 2002). As they emphasize environmental costs and allocate them effectively, the different greenwashing instruments facilitate effective decision-making (Deegan, 2003; Burritt, 2004). The numerous economic and environmental advantages of adopting greenwashing have been shown in earlier research. Better environmental cost tracking, for instance, will enable improved environmental and economic decision-making in the production process through the adoption of greenwashing (Jasch, 2006). Companies can make better decisions regarding their environmental investments and risks by adopting greenwashing techniques (Gale, 2006; Deegan, 2003). Despite the advantages listed above, it is still being determined if greenwashing will become a significant part of management accounting methods due to concerns about its acceptance in Malaysia. Thus, the current study advocates the notion that greenwashing is accepted for reasons other than only economic ones, such as legitimacy and political motivations, with an emphasis on institutional pressure, which is in line with the new institutional sociology approach.

The three categories of greenwashing that have been explored in the literature are identified. The first greenwashing involves faking information to increase a company's worth. Companies engage in what is known as a "greenwashing" technique by overstating their actual environmental performance (Lyon & Maxwell, 2011; Lyon & Montgomery, 2013; Marquis et al., 2016). Businesses that use "greenwashing" as a corporate strategy attempt to hide their subpar environmental performance by misleading stakeholders with a vast amount of environmental data. For instance, there is evidence that an organization's environmental disclosure is favourably correlated with its environmental performance (Radu & Francoeur, 2017). Companies may decide to have communications that understate their environmental achievements (Kim & Lyon, 2015), which is known as a "brainwashing" strategy and is also consistent with earlier research suggesting that social responsibility or green credentials are harmful to share prices (Ullmann, 1985; Khanna & Damon, 1999; Fisher-Vanden & Thorburn, 2011). This is based on data from the U.S. electric utility firms. Selected disclosure intended to deceive investors is the second kind of greenwashing. Greenwashing is the practice of businesses selectively disclosing favorable environmental information while withholding unfavorable information (Lyon & Maxwell, 2011; Lyon et al., 2013; Marquis et al., 2016). Businesses only provide confidential information to a chosen set of investors (Kirk & Vincent, 2014). As a result, these companies can deceive the public about their true environmental performance.

However, firms are less likely to practice selective disclosure in areas where they are more subject to international standards and inspection (Marquis et al., 2016). Thirdly, rather than emphasizing firm-level greenwashing, product-level greenwashing is the only emphasis of this practice (Delmas & Burbano, 2011; Majid & Russell, 2015; Testa et al., 2015; Cho & Baskin, 2018). For instance, how much Italian customers' purchasing behaviour may be influenced by adopting eco-labels (Testa et al., 2015). Businesses may exaggerate a product's environmental advantages to boost sales, as demonstrated by Delmas Greenwashing in Environmental, Social, and Governance Disclosures and Burbano (2011). Used automobiles with pure green brands, like the Toyota Prius, depreciate less quickly than those with green brand extensions (Majid & Rusell, 2015).

Accountants are well-positioned to participate in the worldwide effort to improve decision-useful information to support businesses in making important investments because of their professional scepticism, meticulous attention to detail, and ability to interrogate data. Transparency is the secret to this. Global sustainability standards are still being developed, but accountants may still add value to reports by ensuring that firm financial data and sustainability-related content "balances." (Susan Rossney, 2023) states that accountants may make sure the business is clear about what it is doing right now, what it has accomplished thus far, and what it is likely to be able to do in the future. This might entail comparing planned investments in initiatives for emissions reduction in the company's facilities to corporate commitments like "Net Zero by 2050" and screening for emissions-heavy items in a company's investment portfolio. Accountants also possess the professional scepticism, meticulous attention to detail, and data-interrogation abilities necessary to distinguish truth from ambition when purchasing.

The purpose of this paper is to review the existing literature regarding greenwashing to shed light on the main thematic groups addressed in the literature, understand its challenges and develop a framework that highlights the key drivers that companies need to tackle for greenwashing practices.

1.1. Aims of Studies

The research questions were formulated to address the aims of this study as follows:

1. What are the motivational drivers and barriers to the adoption of greenwash practices in management accounting?

2. What are the outcomes of factors towards greenwashing in the previous studies?

2.0. LITERATURE REVIEW

2.1. Institutional Theory on Environmental Management Accounting (EMA)

A company's institutional environment has a significant impact on its social, environmental, and economic performance. The theoretical framework assumes that organisations are enmeshed in a web of standards, laws, and ideas that govern their actions. These cultural components (institutions) are social creations that become stable through time and provide acceptable behaviour scripts. To enhance the likelihood that their companies will survive, managers adapt to institutions, such as becoming isomorphic with their institutional framework (DiMaggio & Powell, 1983). By doing so, they earn legitimacy, a key element of institutional thought. The institutional field within the firms fosters behaviours that significantly affect social, environmental, and economic values (Berrone et al., 2013). Businesses encourage EMA practices to address environmental challenges that arise inside and outside organisations. These environmental problems impact the society's environmental protections.

Additionally, it may affect the standing of a business in terms of the environment and ecology. Institutional pressure may impact businesses' performance (DiMaggio & Powell, 1983). Institutional pressures, on the other hand, might be coercive, normative, or mimetic in form. These pressures might also come from various stakeholders, including non-governmental organisations, suppliers, customers, and government agencies (DiMaggio & Powell, 1983).

2.2. Institutional Pressures

The acts and behaviours of an organization are explained by institutional theory. Their energy consumption habits, ecological practices, and environmental management practices may all fall under these behaviours and acts (Colwell & Joshi, 2013). Businesses are significantly impacted by the external environment, as well as decisions and behaviours such as laws and regulations, standards of behaviour, cultural norms, and expectations (Heugens & Lander, 2009). Changes in the external environment significantly impact businesses, and they require adaptation to remain viable (DiMaggio & Powell, 1983). If businesses disregard these developments, it may harm them (Teo et al., 2003). As a result, businesses must recognize these external developments and adopt EMA procedures to deal with environmental issues (Brammer et al., 2012). Additionally, institutional influences might control how an organisation adopts common ideas and practices. Three different institutional forces have varying effects on organisational behaviour. In detail, they are coercive, mimetic, and normative (DiMaggio & Powel, 1983). First, powerful stakeholders, including governmental bodies, non-governmental organisations, clients, and suppliers, use coercive pressure (Heugens & Lander, 2009). Coercive pressure is frequently studied in environmental management research since it is primarily used by governmental organisations (DiMaggio & Powell, 1983). When stakeholders exert strong demands like laws and regulations, penalties, and punishments, coercive pressure develops. Second, normative pressure is caused by standards, norms, and expectations that are part of the corporate culture (Abdulaziz et al., 2017). Companies are under these pressures to embrace new behaviours and activities (Teo et al., 2003). Third, businesses' uncertain conditions contribute to mimetic pressure, and these pressures develop as businesses respond to stimuli brought on by their internal and external contexts (Liang et al., 2007).

2.3. Adoption of Greenwashing

Greenwash is the practice of overstating a company's environmental performance (Deegan & Rankin, 1996). As management has significant choices over which environmental concerns to acknowledge, how to assess them, and what information to report, greenwashing can reduce the effectiveness of external environmental accounting activities in the eyes of stakeholders. Data credibility is lost when there is doubt about the accuracy of stated environmental accounting disclosures. Issues with environmental management accounting's ability to inform management decisions are primarily related to the lack of and poor quality of data (Kokubu & Kitada, 2015), the need to modify the information gathered by current management control systems, and the need to establish infrastructure for information gathering and sharing in supply chains.

In environmental management accounting, information is gathered to pinpoint organizational settings where economic and environmental performance may be enhanced. A relative metric used to assess economic and environmental performance, such as dollar sales per tonne of carbon emissions, can be used to determine such improvement. Environmental management accounting is less likely to be adopted by managers if eco-efficiency data is lacking, inaccurate, or of poor quality, as calculations will be unreliable, and lucrative opportunities that support improvement will be lost (Burritt & Christ, 2016).

These various adoption motivations result in varying levels of greenwashing implementation. In their discussions of the various accounting systems from a legitimacy viewpoint, there is a distinction between a symbolic management approach and a behavioural or action-oriented approach (Kim et al., 2007). While behavioural management necessitates the thorough application and execution of accounting procedures, a symbolic management method might be characterized by rhetorical claims without any discernible results. Symbolic greenwashing can be utilized for corporate "greenwashing," while strategic use of greenwashing techniques can be seen as behaviour management. These two extremes also apply to greenwashing activities.

Further details on the behavioural management approach and distinguishing between a reactive and a responsible approach to corporate action for sustainability are needed (Schaltegger & Buritt, 2015). A corporation that takes a reactive strategy has a short-term perspective and regards sustainability engagement and accounting as unrelated to its core competencies and a cost driver. However, using the appropriate greenwashing methods to monitor and oversee sustainable development is a sign of responsible greenwashing behaviour (Schaltegger & Burritt, 2015).

A shift in workplace cultures is essential, as is adopting green accounting standards and the significant worker desire for climate-positive leadership. Moreover, with so much on the line, businesses that are thought to be greenwashing or not taking responsibility for the planet seriously run the danger of facing criticism both internally and online. Here, accountants have a role to perform. Businesses must be honest when describing their environmental and social responsibilities to combat greenwashing. Accountants serve as impartial arbiters of confidence and have high regard. Therefore, checking claims is a green strategy that accounting companies may use. The evaluation of the environmental costs that business actions produce may also be a part of greenwashing accounting. Regardless of the industry, all enterprises, to some extent, create environmental costs. Like any other corporate expense, these charges influence society and must be disclosed transparently. By documenting and emphasizing the benefits of sustainable green policies, accountants help ensure that businesses may profit from them. Accountants may also be able to make sure that green policies are in line with local and national standards, allowing them to seek green financing and subsidies. This will increase staff retention, recruitment, customer happiness, and brand appeal.

The voluntary nature of greenwashing tactics inside businesses also contributes to the degree of implementation. Companies can adhere to sustainability standards that best serve their objectives or even reject any greenwashing techniques. In contrast to a fully responsible and open greenwashing stance, businesses that embrace a wholly voluntary approach represent the end of the range. A strategic approach indicates an entirely accountable and transparent attitude, provided the necessary greenwashing techniques are used (Herzig & Schaltegger, 2011). These technologies are used to gather pertinent internal greenwashing data to provide understandable and comparative information to internal and external stakeholders. There is a difference between businesses that have entirely integrated sustainability principles and those where sustainability values are not shared by all units and people in the organization to explain further the degree of implementation of greenwashing operations (Linnenluecke & Griffiths, 2010). The 'integration' approach is characterized by a common commitment among staff members to a set of sustainability ideals that senior management has advocated. The involvement of all units and the adoption of shared or comparable attitudes toward business sustainability and greenwashing tactics are additional requirements for complete integration.

The 'differentiation' perspective, which is distinguished by various attitudes and values throughout the organization, is the antithesis of the 'integration' perspective. The lack of widespread adoption of sustainability ideals across the whole organization can be attributed to various factors, including physical distance, demographic disparities, top management's lack of participation, and individual reluctance to organizational change (Linnenluecke & Griffiths, 2010).

The general concepts of "greenwashing" are reflected in these levels of application. These guidelines, however, do not represent or define true greenwashing instruments that may be used to gauge the environmental performance and sustainability of procedures or services. The greenwashing framework offers a range of instruments and methods for assessing the sustainability performance of businesses. We contend that an organization's cultural values have an impact on the extent to which greenwashing is used and the adoption of certain greenwashing tactics. The national culture, which in turn influences if, how, or to what degree greenwashing metrics are adopted, is a major factor in the implementation of corporate sustainability and accounting (Jarnagin & Slocum, 2007; Linnenluecke & Griffiths 2010). As greenwashing values are likely to have a direct impact on the adoption of greenwashing practices, it is necessary to identify the mechanism by which cultural values are linked to values at the greenwashing level to explore further the relationship between culture and greenwashing systems in an Asia Pacific context.

2.4. Coercive Pressure

Coercive pressure is created by external stakeholders such as government agencies and NGOs, forcing companies to comply with different environmental regulations and standards (Roxas & Coetzer, 2012). These environmental standards and regulations are mandatory and mandatory for businesses. According to institutional theory, coercive pressure can shape organizations' environmental protection and legislative mandates (Berrone et al., 2013). Coercive pressure mainly deals with multifactorial complexities such as internal behaviour (Roxas & Coetzer, 2012). In developing countries, coercive pressure can come from international buyers (e.g. the European Union), foreign investors, trade associations, and transnational organizations (Berrone et al., 2013). In Europe and North America, coercive pressure can play a vital part in perpetuating greenwashing (DiMaggi & Powell, 1983). Coercive pressures were set up to affect companies' environmental performance (Latan et al., 2018). Government authorities assess these mandatory and obligatory regulations. Every association is bound to follow these regulations subject to severe warrants and corrections assessed by these authorities (Deephouse, 1996). Numerous government authorities encourage and set favourable conditions for companies to apply greenwashing in management accounting. In addition, when companies face coercive pressures, greenwash practices relinquishment helps companies to ameliorate environmental performance and garner government support and profitable benefits. Greenwashing practices of relinquishment help companies build their social character. Thus, companies enforce greenwashing practices when faced with coercive pressures (Berrone et al., 2013).

2.5. Normative Pressure

Two aspects of professionalisation provide normative pressure. The first is a product of formal education, and its legitimacy is drawn from a cognitive foundation created by specialised institutions (DiMaggio & Powell, 1983). This source comprises academic institutions, accounting bodies, unions, conferences, scientific seminars, accounting research, training, publications, and journals (Boker, 2018). The second result is expanding and developing cross-organizational professional networks that help spread innovative practices. Developing organisational norms and practices among professional managers and their staff depends significantly on these two normative pressure sources (DiMaggio & Powell, 1983).

Suppliers, customers, groups like business trade unions, the media, and other social actors exert normative pressure. Trade unions and other groups are typically seen as the fundamental institutions that generate normative demands (DiMaggio & Powell ,1983). Because normative pressures impact socially acceptable behaviours and activities, they are seen in developing nations as a major element shaping norms and the sense of responsibility. Normative pressure extends into cooperative ties across various organisational networks in Europe and North America and remains in the external environment (Latan et al., 2018). These forces guarantee that organisations and their customers and suppliers perform in a socially responsible manner, which promotes the use of greenwashing techniques in management accounting. The culture and performance of a corporation have an impact on union members.

Additionally, businesses employ union-friendly practices since unions may impact organizational culture, knowledge, and resources. Companies that use greenwashing techniques can control public opinion via management and communication techniques. Companies' reputations and images may suffer if they do not control public opinion and oppose unions. Reputational harm can cause companies to lose their competitive advantage and external revenue (Roxas & Coetzer, 2012). Thus, adopting greenwashing affects a company's brand, reputation, and competitive advantage.

2.6. Mimetic Pressures

Mimetic pressures do influence the adoption of greenwash practices, according to studies that used institutional theory to investigate why businesses are willing to adopt such practices (Hussain & Gunasekaran, 2002; Hussain & Hoque, 2002; Arnaboldi & Lapsley, 2003; Qian & Burritt, 2011; Jalaludin et al., 2011). The company notes that comparable issues have been effectively resolved by organisations in the area (Maher

& Andersson, 2019). For instance, a business could install a system for enterprise resource planning after observing how other businesses effectively use theirs to shorten the time to market (McCue, 2021). The success of competitors is closely correlated with mimetic pressure. Whenever an organisation struggles with uncertainty, it imitates its rivals' working procedures (St. John et al., 2001). Mimetic pressure is crucial to help the efficient examination of this issue when implementing environmental management accounting and greenwashing company services (Richardson et al., 2005). Adoption of greenwash can be expensive yet profitable. Companies must react to the behaviours and activities of their rivals. Companies ought to adopt greenwash if their rivals are doing so. Mimetic pressure fosters improved environmental management in international and multinational organisations in underdeveloped nations.

Mimetic pressure is regarded as the finest strategy to assure excellent performance in Europe and North America since businesses may adapt to global needs by adopting or using sustainable practices or resources. Additionally, businesses might gain economic advantages by becoming more competitive in response to mimetic pressures. As a result, even if it is expensive, greenwash adoption enables businesses to react to mimetic pressures and may result in an edge over their competitors (DiMaggio & Powell, 1983; Lin et al., 2020). A change in an organization's institutional environment may encourage or hinder the adoption of new organisational practices, like accounting, by fostering consistency according to certain ideas. Imitation pressure is also known as mimetic pressure. Copying pressure leads to voluntary copying when organisations work in unexpected environments (Liang et al., 2007). If they are not provided with a clear explanation of what will happen around them, firms will want to imitate more successful organisations (Teo et al., 2003). Mimetic pressure is a result of how corporations perceive competitors on social networks. Mimetic pressure still provides the firm actual credit and a good reputation, even if it may not necessarily improve an organization's internal performance. Mimetic pressure develops when businesses compete for customers.

2.7. Crisis of Confident

The credibility of a company's environmental impacts might be damaged by greenwashing (Hsu, 2011). According to research, consumers may become more cynical and distrustful after being exposed to greenwashing (Jahdi & Acikdilli, 2009; Chen et al., 2019; Nguyen et al., 2019). Exposure also causes customers to become unclear about a company's statements and the reasons behind such claims (Parguel et al., 2011). In most instances, greenwashing has a detrimental impact on consumer benefits while boosting shareholder interest. The advantages of society as a whole will be diminished, evident from the standpoint of resource allocation and social welfare, even if shareholder profits surpass the loss of customers (Ramesh & Rai, 2017). This illustrates once again the necessity for authorities to step in and alleviate the detrimental effects of greenwashing on society as a whole (Sun & Zhang, 2019; Yu et al., 2020; Uyar et al., 2020). Companies that publish sustainability reports with assurance use greenwashing less frequently globally than those that lack. The lack of confidence that the writers also examine greenwashing causes in society and the ambiguous projected business advantages. This is demonstrated by demonstrating that earlier studies have found a neutral or worse effect. When thinking about greenwashing, there are now two tendencies to be aware of.

The first applies this idea to the distinctions between CSR performance and sustainability (environmental, social, and economic) communication (Lyon & Montgomery, 2015). Most businesses risk being penalised by society if they are found out (Bansal & Clelland, 2004; Kim et al., 2017; Seele & Gatti, 2017). The probability of being exposed may be minimal, and the cost of greenwashing may be less than the cost of being confident when reporting the consequences. This is because a certain reputational risk may be assumed. The consumer market for green goods and services may suffer due to the rapidly increasing instances of "greenwashing," which can severely impact customer confidence in green products.

Similarly, greenwashing may erode investor faith in environmentally friendly businesses and the capital market for socially responsible investments. Accountants' environmental attempts don't win over customers' approval or support; instead, they sow uncertainty in their thoughts, which hurts their attitudes. For instance, customers may become readily dubious about green practices that are not integrated holistically throughout the

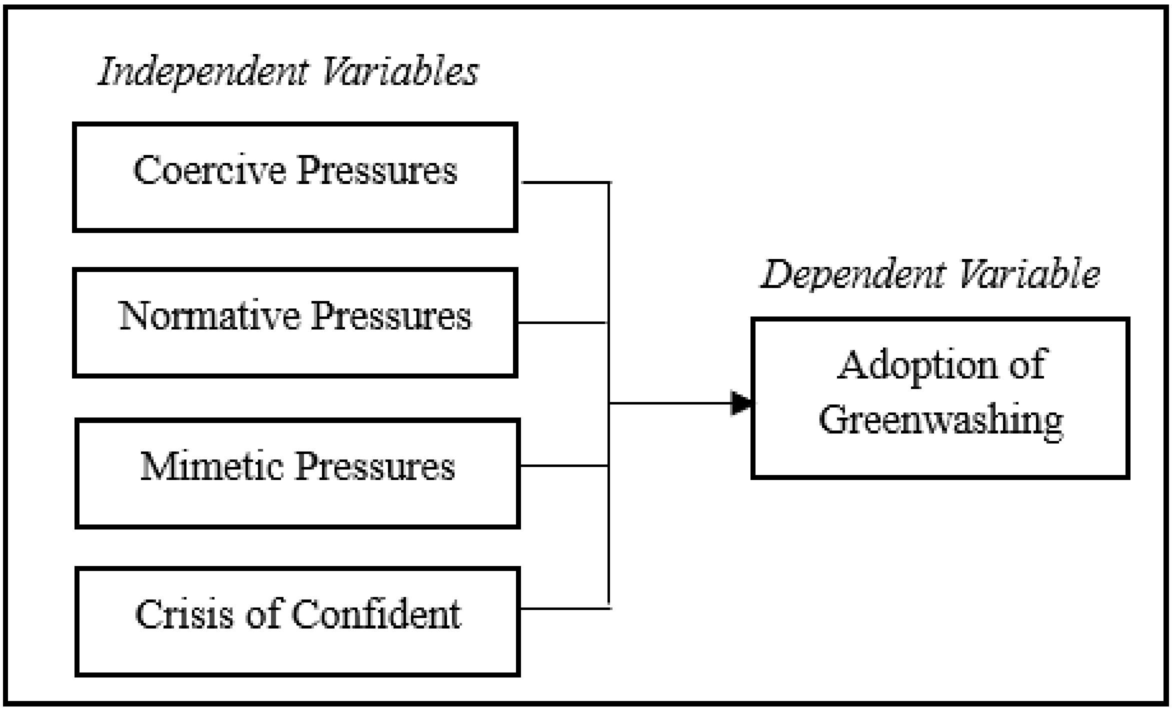

Figure 1: Proposed Research Framework

company and require them to give up comfort (Rahman et al., 2015). Overall, education, specific norms, an ethical culture, and stakeholder involvement are needed to alleviate stakeholders' lack of trust in management accountants on environmental issues. Organisations may encourage accurate reporting and good environmental practices by fostering confidence.

3.0. METHODOLOGY

A systematic search technique was utilized to investigate greenwashing in management accounting. The key databases used in this literature study were Google Scholar, Scopus, Web of Science, and Business Source Complete. The keywords searched for were "greenwashing," "management accounting," "corporate social responsibility," "sustainability reporting," along with "environmental disclosures." Boolean operators were used to limiting down the search results, such as "greenwashing AND management accounting" and "sustainability reporting OR environmental disclosures".

Precise inclusion and exclusion criteria were used to ensure the selected literature's relevance and quality. The inclusion criteria were as follows: articles had to be published in English and discuss greenwashing in the context of management accounting. Empirical studies, theoretical papers, and review articles were all considered as long as they had been published in respected academic publications and conferences. In contrast, the review eliminated papers irrelevant to management accounting or greenwashing, studies unrelated to corporate social responsibility or sustainability reporting, and non-peer-reviewed sources such as opinion pieces, editorials, and non-academic blogs.

To ensure uniformity and comprehensiveness, data extraction was performed in a consistent format. The following variables were recorded: author(s), year of publication, research aims, theoretical framework, methodology, key findings, implications for practice, and study limitations. This systematic data extraction technique allowed for a structured comparison and synthesis of the chosen studies.

This comprehensive methodology guaranteed a methodical and rigorous approach to the literature evaluation, allowing for a complete examination of the available studies on greenwashing in management accounting. Table 1a – 1c summarizes the literature review analysis on greenwashing in management accounting.

The following research framework was developed based on the literature review and research problem. This research framework focuses on the factors that influence the adoption of greenwashing in management accounting. The dependent variable of the study is the adoption of greenwashing. Meanwhile, the independent variables are coercive pressure, normative pressure, mimetic pressure, and the crisis of confidence.

Table 1a: Summary of Literature Review

Author & Year	Constructs	Research Title
Deegan, C. (2003)	Adoption of greenwashing	Environmental Management Accounting: An Introduction and Case Studies for Australia, Institute of Chartered Accountants in Australia
Kokubu, K.; Kitada, H. (2015)	Adoption of greenwashing	Material flow cost accounting and existing management perspectives.
Kim, E.H., Lyon, T.P., 2015	Adoption of greenwashing	Greenwash vs. Brownwash: Exaggeration and Undue Modesty in Corporate Sustainability Disclosure.
Schaltegger and Burritt (2015)	Adoption of greenwashing	Management Roles and Sustainability Information. Exploring Corporate Practice
Burritt, R., Hahn, T. and Schaltegger, S. (2002)	Adoption of greenwashing	Towards a comprehensive framework for environmental management accounting – links between business actors and environmental management accounting tools
Herzig and Schaltegger (2011)	Adoption of greenwashing	Corporate Sustainability Reporting. An Overview
Roxas, B. & Coetzer, A. (2012)	Coercive Pressure	Institutional Environment, Managerial Attitudes and Environmental Sustainability Orientation of Small Firms
Berrone, P., Fosfuri, A., Gelabert, L., & Gomez-Mejia, L. R. (2013)	Coercive Pressure	Necessity as the mother of ‘green’inventions: Institutional pressures and environmental innovations
DiMaggio, P. J., & Powell, W. W. (1983)	Coercive Pressure	The Iron Cage Revisited: Institutional Isomorphism and Collective Rationality in Organizational Fields
Latan, H., Chiappetta Jabbour, C. J., Lopes de Sousa Jabbour, A. B., Wamba, S. F., & Shahbaz, M. (2018)	Coercive Pressure	Effects of environmental strategy, environmental uncertainty and top management’s commitment on corporate environmental performance: The role of environmental management accounting
Deegan, C. (2003)	Coercive Pressure	Environmental Management Accounting: An Introduction and Case Studies for Australia
DiMaggio, P. J., & Powell, W. W. (1983)	Normative Pressure	The Iron Cage Revisited: Institutional Isomorphism and Collective Rationality in Organizational Fields

Table 1b: Summary of Literature Review

Author & Year	Constructs	Research Title
Boukr, A. (2018)	Normative Pressure	A study of the factors influencing the adoption of management accounting innovations in less developed countries: The case of Libya
DiMaggio, P. J., & Powell, W. W. (1983)	Normative Pressure	The Iron Cage Revisited: Institutional Isomorphism and Collective Rationality in Organizational Fields
Latan, H., Chiappetta Jabbour, C. J., Lopes de Sousa Jabbour, A. B., Wamba, S. F., & Shahbaz, M. (2018)	Normative Pressure	Effects of environmental strategy, environmental uncertainty and top management’s commitment on corporate environmental performance: The role of environmental management accounting
Roxas, B. & Coetzer, A. (2012)	Normative Pressure	Institutional Environment, Managerial Attitudes and Environmental Sustainability Orientation of Small Firms
Krell, K., Matook, S., & Rohde, F. (2016)	Mimetic Pressure	The impact of legitimacy-based motives on IS adoption success: An institutional theory perspective
St. John, C. H., Cannon, A. R., & Pouder, R. W. (2001)	Mimetic Pressure	Change drivers in the new millennium: implications for manufacturing strategy research.
DiMaggio, P. J., & Powell, W. W. (1983)	Mimetic Pressure	The Iron Cage Revisited: Institutional Isomorphism and Collective Rationality in Organizational Fields
Lin, J., Luo, Z., & Luo, X. (2020)	Mimetic Pressure	Understanding the roles of institutional pressures and organizational innovativeness in contextualized transformation toward e-business: Evidence from agricultural firms.
McCue, I. (2021)	Mimetic Pressure	Do you know what ERP is? Learn how ERP can help your business with this informative article
Teo et al. (2003)	Mimetic Pressure	Impact of Institutional Pressure on Application of Environmental Management Accounting in Vietnam Textile and Garment Enterprise
Liang et al., 2007	Mimetic Pressure	Impact of Institutional Pressure on Application of Environmental Management Accounting in Vietnam Textile and Garment Enterprise
DiMaggio & Powell, 1983; Lin et al., 2020	Mimetic Pressure	Institutional isomorphism and corporate social responsibility: towards a conceptual model

Table 1c: Summary of Literature Review

Author & Year	Constructs	Research Title
Hussain and Gunasekaran, 2002; Hussain and Hoque, 2002; Arnaboldi and Lapsley, 2003; Qian and Burritt, 2011; Jalaludin et al., 2011	Mimetic Pressure	Coercive, Normative and Mimetic Pressures as Drivers of Environmental Management Accounting Adoption
Rikhardsson et al., 2005	Mimetic Pressure	Impact of Institutional Pressure on Application of Environmental Management Accounting in Vietnam Textile and Garment Enterprise
Hsu, C. (2011)	Crisis of Confident	The Extended Consequence of Greenwashing: Perceived Consumer Skepticism
Jahdi, A., Acikdilli, M., Chen, A., & Nguyen, N. (2019)	Crisis of Confident	Greenwashing behaviours: Causes, taxonomy and consequences based on a systematic literature review
Parguel, T. (2011)	Crisis of Confident	Effects of Corporate Greenwashing on Consumers
Ramesh & Rai, 2017	Crisis of Confident	Greenwashing: The Darker Side Of CSR
Sun, C., Zhang, C., Yu, J., & Uyar, A. (2020)	Crisis of Confident	Is corporate social responsibility reporting a tool of signalling or greenwashing?
Lyon, S., & Montgomery, M. (2015)	Crisis of Confident	A stakeholder approach to corporate social responsibility, and reputation.
Bansal, C., Clelland, U., Kim, E., Seele, R., & Gatti, K. (2017)	Crisis of Confident	Accounting and Sustainable Development.
Rahman, I., (2015)	Crisis of Confident	Consequences of “greenwashing”

The research framework found in Figure 1 was developed based on the literature review and research problem. This research framework focuses on the factors that influence the adoption of greenwashing in management accounting. The dependent variable of the study is the adoption of greenwashing. Meanwhile, the independent variables are coercive pressure, normative pressure, mimetic pressure, and the crisis of confidence

3.1. Operational Definitions of Variables

Variables		*Operational definition*
Dependent variable	Adoption of greenwashing	Refers to how much a company is exposed to greenwashing practices
Independent variable	Coercive pressure	Refers to how much external stakeholders, such as governmental agencies and non-governmental organisations, are forcing businesses to comply with various environmental legislation and standards
	Normative pressure	Refers to how much pressure is exerted by consumers, including suppliers, customers, groups like trade unions for businesses, the media, and other societal institutions
	Mimetic pressure	Refers to how much pressure results when businesses compete for the best performance
	Crisis of confident	Refers to how much credibility of a company's environmental damaged

Figure 2: Operational Definition of Variables

4.0 DISCUSSION

Greenwashing in management accounting is influenced by various financial, competitive, legal, and stakeholder issues. Financial incentives are important, as corporations typically see a green image as a way to attract environmentally concerned customers, resulting in greater sales and profits. Furthermore, the potential of subsidies and tax benefits for green activities encourages greenwashing practices. Competitive pressures also play a role, with businesses feeling obligated to engage in greenwashing if competitors or customer demand prioritizes environmental friendliness. The regulatory context is critical, as lax restrictions or ineffective enforcement might encourage false green marketing methods. Stakeholder influence, such as pressure from investors, non-governmental organizations, and the media, can motivate corporations to use greenwashing methods to improve their image and obtain positive feedback.

Greenwashing, falsely portraying a corporation as environmentally green, creates substantial issues in management accounting. Despite its popularity, significant research gaps still need to be discovered. The need for established criteria creates a significant gap in the measuring and reporting of green projects, resulting in inconsistencies and making it impossible to compare green activities across firms. The relationship between environmental endeavours and financial performance is poorly understood, with few cost-benefit evaluations comparing genuine environmental projects to greenwashing methods. Research on stakeholder perception and behaviour toward greenwashing is sparse, particularly in how consumers and investors view greenwashing and its impact on their trust and behaviour. The effectiveness of existing legislation in preventing greenwashing is not well established, prompting additional research to assess present regulatory frameworks and the role of corporate governance in guaranteeing accurate environmental reporting. L-documented, requiring additional research to assess present legal frameworks and the role of company governance in ensuring accurate environmental reporting.

There is also a scarcity of sector-specific studies, as existing research frequently generalises findings across industries, ignoring differences in greenwashing tactics and outcomes. Furthermore, most studies concentrate on giant firms, with little research on small and medium-sized businesses (SMEs). The long-term impact of greenwashing on firm performance and reputation has received little attention, with few longitudinal studies tracking these effects over time. More research is needed to evaluate the actual environmental impact of greenwashing methods on genuine sustainability efforts, which will provide a more accurate picture of their actual environmental repercussions. Addressing these research gaps is critical to enhancing our understanding of greenwashing in management accounting. Comprehensive research in these areas can result in the establishment of better practices, policies, and frameworks for honest and truthful environmental reporting. As businesses traverse the intricacies of sustainability, management accounting must change to enable true environmental stewardship, thereby increasing corporate accountability and confidence.

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