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Original Article

Linking Awareness to Organizational Readiness: Evidence on Green Accounting Adoption among Motor Vehicle SMEs in the Philippines

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ABSTRACT: *The increased emphasis on sustainability globally has provided companies with an incentive to adopt environmentally responsible practices within their daily operations and financial reports. One of the practices being adopted is green accounting, which is a method used by companies to incorporate into their decision-making process the cost of harming the environment as well as other sustainability-related issues. However, even though there has been a great deal of interest internationally regarding the adoption of green accounting, it appears that green accounting is still not commonly practiced among Small and Medium size Enterprises (SMEs), especially in developing countries, due to a lack of knowledge, technical expertise and institutional support. The objective of this research was to investigate the association between awareness of green accounting concepts and organizational preparedness to implement green accounting systems in Small and Medium-sized Enterprises (SMEs) that provide motor vehicle services in Dumaguete City, Philippines. The research is based on two theories: Stakeholder Theory and Institutional Theory. A quantitative, descriptive/correlational approach to conducting research was used to collect data. A structured questionnaire was distributed to 96 owners, managers, and/or other employees who are authorized to represent their respective organizations. The analysis of the data included descriptive statistics, Spearman's Rank Correlation, and Simple Linear Regression Analysis. The study's results demonstrated that the respondents were aware of green accounting principles and frameworks at a low to moderate level; however, their organizations were prepared to implement green accounting at a moderate level. Additionally, there was a statistically significant, positive correlation between the awareness of respondents and the preparedness of their organizations to use green accounting practices ($rs = 0.463$, $p < 0.001$). Finally, regression analyses indicated that the awareness of respondents predicts the organization's preparedness to adopt green accounting practices, and it accounted for 21.4 percent of the variance in preparedness. The study showed that awareness was the primary driver for an organization's ability to prepare for implementing sustainable-oriented accounting practices. Nevertheless, awareness alone will not be enough to implement green accounting practices successfully within an SME. There must also be institutional support, manager commitment, sufficient funding, and access to necessary technology to successfully implement green accounting practices.*

KEYWORDS: *Green Accounting, Sustainability Accounting, Organizational Readiness, Smes, Environmental Accounting, Corporate Social Responsibility.*

1. INTRODUCTION

Governments, companies, investors, and the public have all begun to pay more attention to environmental sustainability as the number of environmental problems created by industrialization, the loss of natural resources, pollution, and climate change increases. Organizations will be judged not only on how well they perform financially but also on whether or not they take responsibility for the effect that they are having on the environment and on the community in which they operate. The fact that organizations are being held responsible for the effects of their operations on the environment and society is one reason why there has been a development of sustainability-focused company policies that incorporate economic, environmental, and social concerns in the process of organizational decision-making.

One of the major developments in this area is the introduction of green accounting; it is also referred to as environmental or sustainable accounting. Green accounting takes the traditional accounting system one step further by incorporating environmental costs, environmental liabilities, resource use and other sustainability-related performance indicators into the organization's reporting and decision-making process (Schaltegger & Burritt, 2017). Using green accounting will allow organizations to assess the impact that their operations have on the environment while increasing transparency, accountability and sustainability performance.

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The growing importance of green accounting has been tied to a broader idea of sustainability and the "triple bottom line" model developed by Elkington in 1997. The triple bottom line model addresses how organizations can pursue three different goals simultaneously: financial performance, environmental impact, and social responsibility. Many of today's largest multinational companies are now using sustainability reporting models like the Global Reporting Initiative (GRI) and environmental management systems like ISO 14001 to show accountability to stakeholders and increase trust with those who have an interest in the company (Mio et al., 2020). Studies also show that companies focused on sustainability have greater efficiency in their operations, higher levels of stakeholder confidence, better public image, and better long-term business outcomes (Eccles et al., 2014; García-Sánchez et al., 2019).

Even though there have been some positive changes with respect to the implementation of green accounting practices, the use of green accounting practices by SMEs located in developing countries is still very inconsistent. There are several reasons why SMEs face challenges when implementing green accounting practices. These include a lack of awareness regarding the benefits of green accounting practices, insufficient technical skills, lack of funding for green accounting practices, and the lack of support mechanisms from government agencies or other organizations (Horváth & Szabó, 2019; Ong et al., 2019). Therefore, even though there are growing concerns over environmental issues and increasing demands on SMEs from their stakeholders to be environmentally responsible, most SMEs continue to operate without formal sustainability accounting practices.

In the Philippines, the development of sustainable accounting practices among Small and Medium-sized Enterprises (SMEs) is still very limited. Although there has been an increasing awareness of environmental issues and corporate social responsibility efforts, most SMEs continue to use traditional accounting and operational methods that focus primarily on short-term financial performance rather than on the long-term impact of their business activities on the environment. The problem is especially true for the motor vehicle sector; this sector produces large amounts of pollution in terms of emissions, uses huge quantities of energy, generates hazardous wastes, and requires a great deal of resources to operate (Dey et al., 2018).

The existing literature provides a great deal of insight into the ways organizations engage with issues related to sustainability adoption, environmental reporting, and Corporate Social Responsibility (CSR) practices. Conversely, there is a lack of research examining the link between knowledge of green accounting principles and an organization's willingness to implement these principles into their daily operations, especially for SMEs located in developing countries. Previous studies have primarily focused on either larger corporations or the results of actual implementation efforts of sustainability initiatives, as opposed to the pre-adoption factors that influence an organization's preparedness.

Organizational readiness can be defined as the degree of willingness, capability, resources, and preparedness of organizations to adopt changes in their organization (Weiner, 2009). On one hand, awareness can be considered as the organization's understanding of what is meant by sustainability; on the other hand, readiness represents the ability of the organization to apply sustainability principles. It is essential to understand the connection between these two ideas since awareness might be a necessary condition for organizations to implement sustainability.

This study, therefore, investigates the relationship between awareness of green accounting principles and organizational readiness to adopt green accounting practices among motor vehicle SMEs in Dumaguete City, Philippines. Specifically, the study aims to:

- Determine the level of awareness of green accounting practices among motor vehicle SMEs;
- Assess the level of organizational readiness to adopt green accounting practices; and
- Examine whether awareness significantly influences organizational readiness.

The study adds value to the literature regarding the long-term viability of accounting literature through multiple means. It does so by providing empirical data from SMEs in a developing economy that has a dearth of research into sustainability accounting. It also emphasizes the need for awareness and organizational readiness prior to the adoption of sustainability implementation, as well as providing practical implications for policymakers, educational institutions, and businesses to enhance the adoption of sustainability within SMEs.

This study is based on both Stakeholder Theory (Freeman, 1984) and Institutional Theory (DiMaggio & Powell, 1983). Stakeholder Theory posits that organizations will react to the expectations of different types of stakeholders, such as regulatory bodies, customers, communities, investors and environmental organizations. Institutional Theory expands upon Stakeholder Theory by explaining how organization practices can be influenced by coercive, normative and mimetic pressures from the institutional environment. These two theories together offer a foundation to understand how the awareness of sustainability expectations could impact an organization’s ability to implement green accounting practices.

2. LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

2.1. GREEN ACCOUNTING AND SUSTAINABILITY ACCOUNTING

As there is a growing worldwide concern about protecting the environment, traditional accounting practices are being replaced by more sustainable accounting frameworks. Green accounting, sometimes called environmental accounting, is one such framework that allows businesses to include all the environmental costs, liabilities and performance indicators in their organizational accounting system (Schaltegger & Burritt, 2017). This type of accounting enables businesses to incorporate the environmental impacts of their decisions into their financial decision-making process and therefore to align business operations with the goals of sustainable development.

Green accounting has strong linkages to the larger discipline of sustainability accounting, as both consider all three aspects of an organization's performance - economic, environmental, and social (Bebbington et al., 2014). The conceptualization of this view is based upon Elkington's (1997) Triple Bottom Line framework. This framework identifies the requirement for organizations to maintain profitability while also addressing issues related to the environment and society. To further promote these efforts, there are several sustainability reporting frameworks, including the Global Reporting Initiative (GRI) and integrated reporting systems that provide institutionalized standards for disclosing information about environmental and social activities, thereby supporting organizations to increase transparency and accountability in their sustainability practices (Mio et al., 2020).

In spite of the increasing importance of green accounting, there are differences in the way organizations in various industries use green accounting. Burritt & Schaltegger (2010) stated that although sustainability accounting practices are expanding, many organizations consider these practices as extra or additional to strategic management. The problem is greater for developing countries because they do not have well-defined environmental reporting regulations, and most organizations do not have to report on sustainability issues. Therefore, organizations in developing countries can choose what environmental information they want to share with the public, which results in inconsistent environmental reporting methods and difficulties in comparing different organizations.

2.2. CORPORATE SOCIAL RESPONSIBILITY AND ENVIRONMENTAL PERFORMANCE

The adoption of environmentally friendly accounting methods has been closely tied to the larger idea of corporate social responsibility (CSR). Corporate social responsibility is a firm's promise to conduct its business in an ethical manner, while contributing to both economic growth and the well-being of society (Carroll, 1999). Businesses use CSR to incorporate environmental and social issues into their overall strategy and operations.

Previous research has consistently demonstrated that organizations that are sustainability-focused produce greater organizational outcomes. As such, previous research has indicated that organizations with a strong focus on sustainability have been shown to outperform in terms of finances, better manage their risks, and operate more effectively than other organizations. In addition, previous research has demonstrated that when an organization implements Corporate Social Responsibility (CSR) initiatives, it enhances its overall reputation, establishes trust among stakeholders and creates value over time. Therefore, the above-mentioned previous research supports the notion that sustainability is now being considered as more than just a regulatory obligation, but rather a way for an organization to strategically function.

While large corporations have more money, technical knowledge and support from the organization to create formalized sustainability programs than small and medium-sized businesses (SMEs), SMEs tend to be either reactive or informal in their approach to implementing sustainable business practices. SMEs are typically concerned with the short-term operation of the company as opposed to creating long-term strategies for sustainable business operations (Ong et al., 2019; Qian et al., 2018). Therefore, it is important to understand how SMEs are adopting sustainability, especially those operating in sectors that significantly impact the environment.

2.3. AWARENESS AS A DRIVER OF SUSTAINABILITY ADOPTION

Sustainability-oriented organizational behaviors can be promoted by creating awareness of sustainability-oriented issues. Awareness in environmental management is defined as the degree to which an organization has knowledge about environmental issues, sustainability concepts, and what types of benefits exist when practicing environmental responsibilities. Organizations that have a higher level of awareness regarding sustainability are typically more willing to include environmental concerns within their organizational plans and decision-making processes (Horvath and Szabo, 2019).

A number of studies have shown that having knowledge of how to manage the environment through environmental accounting and sustainable practices is an important factor in whether or not companies decide to take action on sustainability. Companies that have greater levels of knowledge about environmental management accounting and sustainable practices will be more likely to incorporate sustainability into their business processes on a larger scale and systematically (Birt et al., 2019). Similarly, Kraus et al. (2020) demonstrated that those companies which have a higher level of corporate social responsibility (CSR) tend to adopt environmentally-friendly strategies that enhance the company's overall environmental performance.

Nguyen and Tran (2019) stated that although environmental accounting has been adopted by some SMEs, it is still not being widely practiced because of a lack of understanding of the concept of environmental accounting and a limited amount of exposure to the concept of sustainability. Therefore, raising awareness of the concept of environmental accounting is necessary to motivate organizations to use environmental accounting practices and include sustainability in their organizational practices.

In addition, there are differences in the adoption of sustainability between large corporations and SMEs. Large corporations tend to be motivated by more significant stakeholder pressure, more regulation, and more organizational capacity. SMEs, however, typically adopt sustainability practices in a reactive manner with limited resources and operational constraints (Ong et al., 2019; Qian et al., 2018). Therefore, the adoption of sustainability practices by SMEs continues to represent a significant research gap that needs to be addressed through additional empirical investigations, especially in those industries that have environmental impacts.

2.4. ORGANIZATIONAL READINESS FOR GREEN ACCOUNTING IMPLEMENTATION

Organizational readiness is one of many factors that will determine whether or not an organization successfully implements sustainability accounting practices, including green accounting. Readiness can be defined as the level at which an organization has the desire, ability, resources, and readiness to make changes to its structure and operations (Weiner, 2009). For sustainability, accounting readiness includes: financial capacity; technical knowledge/expertise; leadership support/culture/operations.

Prior research has shown that an organization's readiness for sustainability will determine how effectively it can implement sustainability. In their study, Testa et al. (2018) discovered that organizations that have a higher level of readiness will be able to better internalize the use of sustainable practices and ultimately produce higher levels of sustainable performance. Likewise, Qian et al. (2018) stated that in order for an organization to successfully manage its environment, it must not only have knowledge about what is happening around it, but must also possess enough organizational capacity to incorporate environmental concerns into its existing systems and processes.

However, Small and Medium-sized Enterprises (SMEs) face many obstacles to prepare their organizations for sustainability initiatives. The financial constraints, the lack of technical knowledge and the lack of a structured organization to implement green accounting practices are some examples of these obstacles (Ong et al., 2019). Therefore, organizations may be aware of the concept of sustainability, but they are not able to practice formal green accounting. This indicates that awareness and readiness should be considered as two different yet related variables that affect how much a company adopts sustainability.

2.5. THEORETICAL LENS: STAKEHOLDER THEORY AND INSTITUTIONAL THEORY

The relationship between organizational readiness and stakeholder awareness can be explained using Stakeholder Theory and Institutional Theory. Stakeholder Theory states that organization practices are affected by the expectations and requirements of different types of stakeholders, including but not limited to customers, regulators, communities, investors, and environmental groups (Freeman, 1984). As organizations become more aware of stakeholder expectations regarding sustainability and environmental accountability, they may also be able to implement sustainable practices like green accounting.

Institutional Theory also provides a framework for understanding how organizational actions are influenced by outside institutional forces. According to DiMaggio and Powell (1983), organizations will act on coercive, normative, and mimetic forces to gain legitimacy and maintain their existence. Organizations can be motivated to implement green accounting practices through a variety of institutional pressures such as regulatory demands, industry standards, professional norms, and competition.

There is an empirical basis for using these theories in sustainability studies. Research has demonstrated that stakeholders' pressures and institutional forces are influential factors when it comes to the adoption of green accounting practices by organizations (Zeng et al., 2012; Dey et al., 2018). The use of the above theoretical perspectives will allow me to explain how organizational awareness of sustainability issues can lead to the readiness to implement green accounting practices.

2.6. SUSTAINABILITY ADOPTION IN SMES AND EMERGING ECONOMIES

In the past decade, there has been an increased focus on the use of sustainable practices within Small and Medium-sized Enterprises (SMEs). While SMEs contribute significantly to economic growth, they are typically less likely to formally implement sustainable business practices than large companies as a result of resource limitations, lack of institutional assistance, and minimal regulatory pressure (Nguyen & Tran, 2019). However, even though most SMEs do not formally practice sustainability, many have adopted informal sustainable practices as a means of improving operational efficiency, reducing costs, and meeting stakeholder expectations.

There are many factors that influence the use of sustainability practices in SME's; these include, but are not limited to: organization knowledge, managerial capabilities, external influences (stakeholders), and government regulations (Horváth &

Szabó, 2019; Kraus et al., 2020). Most of the current research has focused on developed countries, and therefore there is very little research available for developing countries like the Philippines.

The lack of research in the field of sustainability accounting within specific industries has also been identified as an area requiring further investigation. Of all the industries, the automotive sector may be most suitable for such studies because of its large number of environmental problems associated with the use of motor vehicles; i.e., air pollution (emissions), generation of hazardous wastes and high energy requirements during manufacturing processes. However, little is known about how small-and-medium-sized automotive businesses (SMEs) have implemented sustainability practices. Thus, there exists a need to conduct empirical research regarding the implementation of sustainability by SMEs in localized, developing economies.

2.7. RESEARCH GAP

The reviewed literature reveals several important gaps that justify the present study. First, while prior research has extensively examined sustainability adoption and environmental management practices, relatively few studies have investigated the relationship between awareness and organizational readiness. Second, most sustainability accounting studies focus primarily on large corporations, with limited attention given to SMEs operating in developing economies. Third, industry-specific studies on sustainability accounting within the motor vehicle sector remain limited.

Addressing these gaps, the present study investigates the relationship between awareness of green accounting principles and organizational readiness among motor vehicle SMEs in Dumaguete City, Philippines. By focusing on the pre-adoption stage of sustainability implementation, the study contributes to a deeper understanding of the factors influencing SMEs' adoption of green accounting in emerging economies.

3. METHODOLOGY

3.1. RESEARCH APPROACH

The quantitative research methodology was used in this investigation. Quantitative research methodology is suitable for investigating relationships among variables and evaluating hypotheses through statistical analysis. Quantitative research methodology enables the objective measurement of constructs like awareness and organizational readiness; it also provides an opportunity to generalize findings from the study setting. Since the main purpose of this study is to examine if awareness significantly impacts readiness to implement green accounting practices, a quantitative research methodology is ideally suited to find patterns, associations and/or predictive relationships.

3.2. RESEARCH DESIGN

A descriptive-correlational research design was used for this study. Descriptive research was used to determine the level of awareness and readiness that motor vehicle business owners have regarding the adoption of electric vehicles. Correlation research was used to examine if there are relationships between awareness and readiness. A descriptive-correlational research design is the most appropriate for this type of research because it allows the researcher to examine both the strength and direction of a relationship between awareness and readiness without making changes to the setting in which the data is being collected.

3.3. RESEARCH SETTING

The research took place in Dumaguete City, Philippines, a developing metropolitan area with a large number of emerging small and medium-sized enterprises (SMEs). This city has a wide variety of motor vehicle-related businesses, such as dealerships, auto repair shops, and auto parts stores. The location is especially appropriate for this research given the significant impact that the motor vehicle industry has on the environment; i.e., it generates pollution (emissions), uses energy, and creates waste. In addition, the lack of strict environmental accounting standards locally allowed for the investigation of voluntary green accounting practice adoption.

3.4. POPULATION AND PARTICIPANTS

The sample group included motor vehicle business owners/operators registered with the Dumaguete City Treasurer's Office, as determined by their registration records. This sample group was comprised of motor vehicle sales outlets (dealerships), motor vehicle service centers (repair shops), and motor vehicle parts distributors. Each of these three types of motor vehicle businesses can have an impact on the environment.

The analysis units used by this study were business organizations. Respondents included owners, managers, or other employees who had adequate understanding of how the company makes decisions and operates. The reasons why these individuals were chosen to participate in the survey were due to their direct involvement in making both operational and strategic decisions about sustainable practices within the organization.

3.5. SAMPLING STRATEGY AND SAMPLE SIZE

Given the relatively small population size (N = 125), the study adopted a near-census sampling approach, targeting as many businesses as possible to enhance representativeness and reduce sampling bias. A total of 96 valid responses were obtained, representing a substantial proportion of the population.

The sample size is considered adequate for correlational and regression analysis, as recommended by Hair et al. (2019), who suggest that sample sizes above 50 are sufficient for basic statistical modeling. The high response rate strengthens the reliability and generalizability of the findings within the study context.

3.6. DATA COLLECTION METHODS AND INSTRUMENTS

Data were collected using a structured questionnaire, which served as the primary research instrument. The questionnaire was divided into three sections:

- Demographic Profile – capturing business characteristics such as ownership type, size, and years of operation.
- Awareness of Green Accounting – measuring respondents' knowledge and understanding of environmental accounting concepts.
- Organizational Readiness – assessing the extent to which businesses are prepared to adopt green accounting practices.

A five-point Likert scale (1 = Not at all true to 5 = Extremely true) was used to quantify respondents' perceptions. The instrument was developed based on existing literature on sustainability accounting and environmental management accounting and was adapted to the local business context.

3.7. DATA COLLECTION PROCEDURE

Formal permission to collect data was obtained from appropriate authorities, such as the City Treasurer's Office, prior to data collection. After obtaining formal permission, the researchers hand-delivered the questionnaires to the designated respondents and administered the questionnaire in person, which provided an opportunity for the researchers to provide the respondents with clear instructions and ensure that each respondent completed all questions on the questionnaire. All participants were given information regarding the study's objective, and they were also told that all responses they provided would be utilized only for academic research. After each participant completed their questionnaire, it was collected right away to help prevent non-response and ensure data quality.

3.8. DATA ANALYSIS TECHNIQUES

Data analysis was conducted using statistical methods appropriate for quantitative research. The following techniques were employed:

- Descriptive Statistics (frequency, percentage, and mean) to summarize demographic data and assess levels of awareness and readiness.
- Spearman's Rank Correlation to determine the strength and direction of the relationship between awareness and readiness, given the ordinal nature of the data.
- Simple Linear Regression Analysis to examine the predictive effect of awareness on organizational readiness and to quantify the extent to which awareness explains variation in readiness.

All analyses were conducted at a 0.05 level of significance, consistent with standard practices in social science research.

3.9. VALIDITY AND RELIABILITY

To ensure the rigor of the study, several measures were undertaken:

- Content Validity: The questionnaire was reviewed by subject matter experts in accounting and sustainability to ensure that the items adequately capture the constructs of interest.
- Pilot Testing: A pilot test was conducted with a small group of respondents outside the study area to refine the instrument.
- Reliability Analysis: Cronbach's alpha was used to assess internal consistency. The overall reliability coefficient of 0.88 indicates good reliability (Hair et al., 2019), and the awareness and readiness constructs meet acceptable thresholds.

These measures enhance the credibility and robustness of the research findings.

3.10. ETHICAL CONSIDERATIONS

The research was conducted according to the ethical guidelines for conducting research with human subjects. Consent to participate in the study was voluntary, and informed consent was obtained from each respondent before data collection began. All participants were informed of the confidentiality and anonymity of their responses, and no identifying details regarding any individual participant were included in the reporting of the findings. All data were kept safe and were used only for academic

purposes. Researchers made sure the research adhered to their institution's ethical standards so that they were doing research responsibly and keeping the rights of the people who took part in the research safe.

4. RESULTS AND DISCUSSION

This part of the study will provide empirical findings based on data collected from motor vehicle companies operating in Dumaguete City. Results of the study will be structured based upon the study's objectives, which include: respondents' demographic characteristics; respondents' level of awareness and organizational preparedness; and the relationship among all three. Results of descriptive and inferential statistics will be reported along with references to applicable tables for clarification.

4.1. PROFILE OF THE RESPONDENTS

The data contained in Table 1 regarding the demographic characteristics of respondents provides insight into how the structure of motor vehicle business organizations may affect the implementation of sustainability. Because single proprietorships make up the majority of the businesses represented in the survey, it appears that most decisions made by these organizations are made by only one person the owner. Owners have a significant influence over what direction an organization takes, including whether or not an organization will adopt sustainable accounting practices. This is consistent with earlier research which showed that SMEs (especially those managed by owners) are significantly influenced by the level of awareness and value systems of the individual manager(s) when implementing sustainable initiatives (Kraus et al., 2020).

The distribution of business sizes in the sector indicates there is an abundance of both large and medium-sized organizations. Generally speaking, larger organizations are more capable of adopting sustainable business practices as they possess larger budgets, have more technical knowledge, and have more organizational capabilities than smaller ones (García-Sánchez et al., 2019). Therefore, while a majority of the sampled organizations would be structurally capable of implementing green accounting systems, they will likely require some level of awareness and/or incentive before actually implementing them.

TABLE 1 Demographic Profile of Motor Vehicle Business

Type of Business Ownership	Frequency (f)	Percentage
Single-Proprietorship	41	42.71
Partnership	25	26.04
Corporation	30	31.25
Total	**96**	**100**
Size of Business		
Micro	12	12.50
Small	18	18.75
Medium	25	26.04
Large	41	42.71
Total	**96**	**100**
Type of Business		
Dealership	46	47.92
Auto-Repair Shop	12	12.50
Auto-Part Supplier	38	39.58
Total	**96**	**100**
Years in Business		
0-5 years	39	40.63
6-10 years	19	19.79
11-15 years	34	35.42
21-25 years	1	1.04
26-30 years	2	2.08
Above 30 years	1	1.04
Total	**96**	**100**

The high level of participation by dealers and auto-parts suppliers in business functions that have significant environmental consequences, including vehicle sales, inventory management and parts distribution, suggests the industry has a substantial environmental impact. Many environmental issues exist within this functional area, including but not limited to emissions production, waste generation, and resource consumption (Dey et al., 2018). Therefore, the sector provides an appropriate setting for studying green accounting practices.

Years of operation results show that many companies have been operating for a short period of time. There are two characteristics of younger companies; first, they do not have systems in place or formal procedures; therefore, they might find it difficult to implement formal sustainable practices like Green Accounting. Second, younger companies are generally more open to change and more innovative than older companies (Horváth & Szabó, 2019). These characteristics create both problems and opportunities when attempting to promote sustainable practices in the industry.

In general, the demographic characteristics show that there is structural capacity (firm size and industry relevance); however, other factors such as ownership structure and organizational maturity can affect how well green accounting practices are understood and used. This provides a background against which to interpret subsequent findings regarding awareness and organizational readiness.

4.2. LEVEL OF AWARENESS OF GREEN ACCOUNTING

TABLE 2 Awareness of Motor Vehicle Businesses on Green Accounting as A Corporate Social Responsibility

AWARENESS	RANK	WM	INTERPRETATION
1. I am familiar with the concept of green accounting.	7	2.77	We neither know nor apply the concept
2. I am aware of the importance of corporate social responsibility.	4	3.08	We neither know nor apply the concept
3. I am aware of some green accounting policies.	8	2.49	Very Little
4. I am aware of green accounting principles that entail cost reductions.	6	2.88	We neither know nor apply the concept
5. I understand the implications of implementing green accounting principles.	3	3.13	We neither know nor apply the concept
6. I understand the concept of corporate social responsibility.	1	3.22	We neither know nor apply the concept
7. I think the green accounting function played a significant role in implementing ISO 14001.	5	2.99	We neither know nor apply the concept
8. I understand the concept of the Global Reporting Initiative (GRI).	2	3.17	We neither know nor apply the concept
Composite Mean		2.97	We neither know nor apply the concept

The results indicate that there is a difference in awareness levels regarding corporate social responsibility in general, and the level of technical knowledge about green accounting practices. Although most participants had some level of understanding of what CSR is, many participants were unfamiliar with how companies use green accounting frameworks and policies, therefore indicating a lack of technical knowledge. This result supports Ong et al. (2019), who stated that organizations that have been exposed to more areas of environmental management accounting would most likely utilize sustainability-related practices. Additionally, Nguyen and Tran (2019) found that a lack of knowledge concerning environmental accounting concepts would hinder use by small and medium-sized enterprises (SMEs).

The greater visibility of CSR compared to green accounting can be explained by the larger scope of CSR ideas being taught and practiced in the business world. CSR is generally discussed in broad terms and associated with the ethical and societal obligations of businesses. As a result, CSR is more readily understandable for business owners. On the other hand, green accounting requires more technical and specialized understanding that is not as common for small and medium-sized enterprises (Schaltegger & Burritt, 2017).

There is also a lack of formal structure and regulation around the use of green accounting policies within the local area, which is another example of how little awareness exists about these types of practices. This has been supported by other researchers who have shown that because of the voluntary nature of environmental accounting in most developing countries, there are inconsistent levels of awareness and adoption among businesses (Bebbington et al., 2014). Since there are no formal requirements or incentives for firms to develop knowledge about sustainability accounting, they are less likely to invest time and resources into doing so.

Additionally, the low level of awareness about frameworks such as ISO 14001 and GRI indicates that global sustainability standards are still being integrated into the operations of local motor vehicle companies. The findings are also in line with previous research, which shows that Small and Medium-Sized Enterprises (SMEs) in developing countries typically have

limited exposure to global sustainability frameworks due to resource limitations and the absence of training opportunities (Horváth & Szabó, 2019).

The study's findings indicate that raising awareness is the primary first step in developing an effective green accounting practice. Business leaders who are knowledgeable and aware of sustainable business models can integrate these concepts into their daily business operations and prepare for the implementation of green accounting systems.

4.3. LEVEL OF ORGANIZATIONAL READINESS

TABLE 3 Readiness of Motor Vehicle Businesses on Green Accounting as A Corporate Social Responsibility

READINESS	RANK	WM	INTERPRETATION
1. I think the company I work for takes social responsibility in business into account.	1.5	4.46	Partially
2. I think there is an incentive for environmental management driven by stakeholder pressure, including regulators, investors, society, employees, and environmental groups.	4	4.26	Partially
3. The company creates a report on environmental costs.	7	3.42	We neither know nor apply the concept
4. Information relating to the protection of the environment shall be taken into account, in particular when: Alternative business decision making; Budgeting; Capital investment; Calculation of costs and effects	6	3.80	Partially
5. The company works to understand and prepare for the implementation of green accounting.	8	3.13	We neither know nor apply the concept
6. The company manages its waste, environmental costs, and recycling.	1.5	4.46	Partially
7. When compiling the Management Report, the company describes in detail the aspects related to environmental protection.	5	4.07	Partially
8. The company handles waste, environmental costs, returnable packaging, and recycling.	3	4.36	Partially
Composite Mean		3.99	Partially

The results of this study show that motor vehicle companies are moderately prepared to implement green accounting practices; however, they have some informal initiatives for environmental protection and corporate social responsibility. In addition to being ready to implement these practices, there was a high score on waste management, recycling, and corporate social responsibility, which shows that many of the companies were already implementing some type of environmental protection practice. Although there were no formal accounting practices in place, the informal environmental protection practices that many of the companies were utilizing support previous studies that showed that Small and Medium-Sized Enterprises (SMEs) often utilize sustainable practices to improve their business operations as opposed to through formal systems (Qian et al., 2018; Ong et al., 2019).

Stakeholders such as regulatory agencies, customers, and society are exerting greater pressure than ever before; therefore, the business world is increasingly focusing on being socially responsible and implementing environmentally friendly practices. This reflects a growing recognition of stakeholder influences within businesses. As businesses respond to these external influences, they begin to align their operations with Stakeholder Theory, which states that businesses will implement responsible practices in order to satisfy the expectations of their stakeholders (Freeman, 1984). Additionally, the use of stakeholder-driven incentives demonstrates that institutional pressures are influencing how organizations operate (DiMaggio & Powell, 1983).

The lower score for formal environmental reporting and the preparation to implement green accounting indicates there is a difference between practicing environmental responsibility and formalizing it. While companies may participate in activities related to sustainability, they do so without integrating them into their accounting and reporting processes. This finding supports previous studies which have shown that SMEs typically do not possess the necessary knowledge and resources to implement formal environmental accounting practices (Horváth & Szabó, 2019).

In addition, the lack of preparation in creating formalized systems for green accounting could be due to the voluntary aspect of environmental reporting in emerging economies. Since there are no mandatory regulations or standard procedures regarding environmental reporting, many companies do not make it a priority to formally integrate sustainable business practices into their accounting systems (Bebbington et al., 2014).

The study's overall findings show that motor vehicle companies have some level of environmentally responsible behavior; however, they are only partially prepared because there is no formal system or structured process for the implementation of

green accounting practices. Therefore, the study suggests that there needs to be capacity-building programs and policy support so that these companies can transition from informal practices to adopting formal sustainability accounting.

4.4. CORRELATION BETWEEN AWARENESS AND READINESS

TABLE 4 Correlation Between Awareness and Readiness on Green Accounting as a Corporate Social Responsibility

Variables	Rs	P-Value	Interpretation	R^2
Awareness vs Readiness	0.463	< 0.001	Moderate positive	0.214

The results of the study show there is a strong correlation between awareness and an organization's readiness to use green accounting. The moderate positive correlation indicates that as organizations learn more about green accounting principles, they will be better prepared to begin using these accounting methods. There was a positive correlation found between awareness and readiness, which is consistent with other research that shows organizations with knowledge of and an understanding of sustainability practices are more likely to implement those practices (Horváth & Szabó, 2019). Organizations that have experienced the most contact with sustainability principles are also the most likely to include environmental considerations in their daily business activities.

A theoretical perspective supports the findings in relation to Stakeholder Theory, as Stakeholder Theory suggests that organizations will adopt responsible behaviors in response to what their stakeholders want them to do (Freeman, 1984). If an organization becomes more aware of its stakeholders' wants, then it may be more likely to develop and implement sustainability initiatives. Also, the findings support Institutional Theory. Institutional Theory suggests that organizations' behaviors are influenced by pressures outside the organization itself. These pressures include laws/regulations, industry standards, and society's expectations (DiMaggio & Powell, 1983).

The moderate strength of the correlation and the low coefficient of determination show that being aware does not account for all of the factors that determine whether an organization is ready to adopt sustainable practices. Therefore, it appears as though there are many other things that affect organizational readiness, including financial resources available to the organization, the organization's culture, the regulatory environment in which the organization operates, and the support provided by management. This finding supports previous studies on the multiple dimensions that contribute to the decision to use sustainable practices (Qian et al., 2018; Testa et al., 2018).

Increasing the level of understanding about a given issue is a prerequisite for a positive outcome. However, awareness alone is insufficient to guarantee that green accounting practices will be successfully implemented. There are other things needed to take awareness from a concept to a practical application. Some of these include: training, resource allocation and governmental support.

The findings highlight the need for organizations to close the "knowledge-to-practice" gap. This suggests that while awareness is a critical first step in an organization's ability to implement green accounting practices, it is only one of many factors that will ultimately determine whether or not an organization can successfully implement green accounting practices.

5. EFFECT OF AWARENESS ON ORGANIZATIONAL READINESS

TABLE 5 Effect of Awareness on Organizational Readiness

Variables	Rs	P-Value	Interpretation	R^2
Awareness vs Readiness	0.463	< 0.001	Moderate positive	0.214

Model Summary:

$R = 0.463$

$R^2 = 0.214$

Adjusted $R^2 = 0.206$

$F = 25.60$

$p < 0.001$

Regression results show a statistically significant positive relationship between motor vehicle industry members' awareness of green accounting practices and their level of readiness to adopt those practices ($\beta = 0.46$, $p < .001$). This means that when motor vehicle industry members become more aware of green accounting practices, they will be more prepared to implement those practices. Also, the relatively large standardized coefficient indicates that awareness is an important factor in predicting motor vehicle industry members' readiness in this study.

The results of this study support previous research which emphasizes the importance of knowledge and awareness in supporting the development of a sustainable business model. Previous studies have demonstrated that companies that have a

better understanding of environmental issues are more likely to incorporate sustainable practices into their daily operations and strategic decision making processes (Horváth & Szabó, 2019; Kraus et al., 2020). Previous studies have also shown that the extent to which an organization participates in environmentally responsible behaviors depends on how much the organization values CSR and environmental strategies (Kraus et al., 2020). Organizations that are becoming more aligned with sustainable principles will likely find it easier to establish structured environmental practices.

The results from the study provide evidence for the validity of Stakeholder Theory and Institutional Theory. With increased knowledge about stakeholder expectations, an organization can be more aware of how it will affect the environment and society through its operations (Freeman, 1984). Additionally, an organization's knowledge level could indicate how exposed it has been to pressure from institutions like regulations, industry standards, and social norms that affect whether or not an organization is willing to implement sustainable business practices (DiMaggio & Powell, 1983).

The R^2 value for the relationship between awareness and preparedness indicates that awareness does not explain all of the variation in preparedness, only about 21% of it. Therefore, there are likely several additional factors that influence preparedness, including financial capability, organizational culture, leadership commitment and regulatory environment. These findings support prior research which shows that the process of adopting sustainability practices is influenced by both internal organizational factors and external environmental factors (Qian et al., 2018; Testa et al., 2018).

In addition, the results show that while creating awareness of green accounting practices is an essential first step in promoting their use, there needs to be complementary capacity building and institutional support. If the organization does not have sufficient resources and is structurally unprepared for the implementation of green accounting practices, then even if employees are aware of these practices, they will likely not implement them.

The overall findings support the idea that awareness is an essential part of an organization's ability to prepare for sustainability issues. Additionally, these results point out that there is a larger, more comprehensive way to promote sustainable business practices within the motor vehicle industry.

6. CONCLUSION

This study investigated the correlation between awareness and organizational preparedness to implement green accounting practices within the small and medium-sized motor vehicle enterprise sector of Dumaguete City, Philippines. The results indicate that while there is an overall low to moderate degree of awareness, the organizations have demonstrated a moderate level of readiness to engage in some form of environmentally responsible behavior. The results supported that awareness positively predicted and was related to the organization's level of readiness for adopting sustainable practices. This indicates how much awareness drives organizations to adopt sustainable practices. On the other hand, the low amount of variance explained by the model implies that awareness alone is not enough to explain the level of an organization's readiness for sustainability adoption. Other internal (organizational) and external (environmental) factors may have a greater impact on readiness. This research adds to the existing knowledge of sustainability accounting literature by providing an empirical basis for the use of green accounting in SMEs within a developing country, as well as providing insights that can be used by both policymakers and business owners. Increasing awareness of green accounting through education, training and policy support will help to move toward more formally organized green accounting practices.

RECOMMENDATIONS

Based on the study's findings, it is recommended that government agencies and industry associations strengthen awareness programs on green accounting through training, seminars, and policy initiatives. SMEs should also be encouraged to adopt structured sustainability practices by integrating environmental considerations into their accounting and reporting systems. Additionally, collaboration between academic institutions and industry stakeholders may help bridge the knowledge gap by providing practical guidance and technical support for implementing green accounting practices.

CONFLICTS OF INTEREST

This section is mandatory. When a secondary goal, such as financial gain, influences clinical judgment or the validity of research, a competing interest occurs. In their submitted publications, our authors should declare any potential conflicts of interest. "The author(s) declare(s) that there is no conflict of interest concerning the publishing of this paper," authors should write if there isn't one.

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