

Effect of Firm Size on Environmental Accounting Practices among Listed Manufacturing Firms in Kenya

Sophie Naliaka, Muganda Munir and Ondiek Alala

Abstract

Environmental Management Accounting which is a recent development in accounting requires companies to report, apart from the conventional elements, the environmental aspects in their final accounts. Despite the entrenchment of environmental accounting in the financial reporting standards, there is little empirical findings of the extent to which companies have adopted it and the determinants of Environmental Accounting. Therefore, the purpose of this study was to examine the effect of firm size on environmental accounting among listed manufacturing firms in Kenya. In order to meet the objective of this study a quantitative panel data methodology was employed. The panel data was obtained from the audited financial statements of seven listed manufacturing and allied firms on the Nairobi Securities Exchange for the period of eight years (2007/08 – 2014/15). The panel data fixed effect estimation model was applied for the data analysis through SPSS. Findings of the study show that firm size has a positive effect on firms' environmental accounting practices. It is hoped that this finding will help the policy makers and management of various companies in adoption of environmental management accounting.

Key Words: *Environmental Management Accounting, Firm Size and Fixed Effect Estimation Model*