INTERNATIONAL JOURNAL OF BUSINESS AND MANAGEMENT (IJBM)
ISSN: 2815-9330 (Online)

VOL. 5, NO. 2 2026 https://iessociety.org/

Sustainability accounting in a resource-dependent economy: Institutional decoupling in Ghana's transition from voluntary to mandatory disclosure

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Abstract

This paper asks why Ghana's rapid construction of a sustainability disclosure architecture has not been accompanied by a commensurate deepening of disclosure practice, and develops a theory-integrated explanation for the coexistence of stable reporting participation and declining disclosure substance as the country approaches mandatory adoption of IFRS S1 and IFRS S2. The study adopts a structured narrative review conducted with the procedural transparency of a systematic review and informed by PRISMA reporting conventions. It combines a documentary analysis of primary regulatory instruments issued by the Bank of Ghana, the Ghana Stock Exchange, the Securities and Exchange Commission and the Institute of Chartered Accountants, Ghana, with a documented search of Scopus, Web of Science, Google Scholar and SSRN covering the period 2010 to 2025. Legitimacy, stakeholder, institutional and signalling theory are integrated into a single decoupling framework from which four propositions are derived and tested against the Ghana-specific evidence base. The findings reveal that Ghana has assembled an unusually dense regulatory architecture for an African jurisdiction, yet firm-level evidence shows that disclosure breadth has stagnated while disclosure depth has fallen. Among listed firms, alignment with the TCFD and IFRS S2 frameworks declined from 29 per cent to 19 per cent, and external assurance uptake halved from 50 per cent to 25 per cent, between 2023 and 2024, even as headline reporting participation held steady. This pattern contradicts a straightforward coercive isomorphism account and is better explained by institutional decoupling, in which symbolic, legitimacy-seeking participation persists while substantive and costly compliance is deferred ahead of the 2027 mandatory deadline. As a narrative rather than systematic review, the paper does not claim exhaustive retrieval of the grey literature, and its assessment of instruments whose mandatory phases lie ahead is necessarily provisional. The central empirical claim rests on a single practitioner survey and is treated as a motivating stylised fact rather than an established finding. The paper specifies a panel-based research design for testing the decoupling hypothesis across the 2024 to 2028 transition. Regulators are advised to prioritise cross-regulator coherence, published

DOI: https://doi.org/10.56879/ijbm.v5i2.105

reconciliation of competing materiality philosophies and investment in domestic assurance capacity over further expansion of reporting participation. The analysis also shows that even full success in the formal-sector transition would leave the artisanal and small-scale mining sector, the fastest-growing source of mining-related environmental harm in Ghana, outside the reporting perimeter altogether. The paper offers the first integrated account of Ghana's regulatory architecture, its applicable theory and its firm-level practice evidence within a single analytical frame, and the first application of a decoupling framework to Ghanaian disclosure data spanning the period before and after the ISSB roadmap.

***Keywords*:** Sustainability Accounting, ESG Disclosure, Institutional Theory, Decoupling, IFRS Sustainability Disclosure Standards, Ghana

JEL Classification: M41, M48, Q56

1. Introduction

Over the past three decades the boundaries of corporate reporting have been progressively redrawn. Where the annual report once spoke almost exclusively in the language of financial performance, it is now expected to account for an organisation's environmental footprint, its treatment of workers and communities, and the quality of its governance. This broadening reflects a deeper recalibration of the relationship between business and society: the recognition that the long-run viability of a firm cannot be separated from the social and ecological systems in which it is embedded (WCED, 1987; Gray et al., 1996). Sustainability accounting is the field of practice and scholarship that gives institutional form to this recognition, concerning itself with how organisations identify, measure, manage and communicate the economic, environmental and social consequences of their activities.

The momentum behind the field has accelerated sharply in recent years. Institutional investors managing trillions of dollars now screen portfolios for environmental, social and governance (ESG) performance; lenders increasingly price climate and transition risk; and a fragmented landscape of voluntary frameworks is consolidating around a single global baseline following the issuance of IFRS S1 and IFRS S2 by the International Sustainability Standards Board (ISSB) in June 2023 (IFRS Foundation, 2023). Sustainability information is migrating from the margins of the corporate communications function toward the core of mainstream, investor-grade reporting, carrying with it the expectations of rigour, governance and assurance that attach to financial statements.

For Ghana these developments are neither remote nor merely aspirational. The economy is anchored by sectors — gold and other minerals, oil and gas, cocoa and agriculture, and a rapidly evolving financial system — whose activities generate material environmental and social externalities. The persistence of illegal small-scale mining, popularly known as galamsey, which

DOI: https://doi.org/10.56879/ijbm.v5i2.105

accounts for a substantial and growing share of national gold output and is well documented to generate severe water contamination, deforestation and agricultural land loss (Akeliwira, 2026), has elevated environmental accountability to a question of national salience. Ghana is simultaneously exposed to climate variability that threatens agricultural livelihoods and infrastructure, and has committed to the United Nations Sustainable Development Goals and the Paris Agreement. In this setting, sustainability accounting is not only a matter of capital-market competitiveness but a potential instrument of environmental governance and developmental policy.

Ghana's institutional response has been rapid and, in the African context, comparatively advanced. Within little more than half a decade the Bank of Ghana introduced the Ghana Sustainable Banking Principles (Bank of Ghana, 2019) and a Climate-Related Financial Risk Directive (Bank of Ghana, 2024); the Ghana Stock Exchange published an ESG Disclosures Guidance Manual (Ghana Stock Exchange, 2022); the Securities and Exchange Commission embedded ESG dimensions in its Corporate Governance Code for listed companies (SEC Ghana, 2020); and, most consequentially for the accountancy profession, the Institute of Chartered Accountants, Ghana (ICAG) approved a phased roadmap in 2024 for adopting the IFRS Sustainability Disclosure Standards, moving from voluntary application toward mandatory disclosure for significant public-interest entities from January 2027 (ICAG, 2024). The regulator's own justification for the phasing is instructive. The roadmap explicitly cites the need for sensitisation, capacity-building and reskilling on the grounds that sustainability reporting is new to most Ghanaian-incorporated companies, and identifies the risk that mandating the standard too early would conflict with voluntary frameworks already in use. The standard-setter has, in other words, itself named the coherence and capacity problem that motivates this paper.

An enabling architecture, however, does not guarantee a commensurate deepening of substantive practice, and the most recent evidence suggests the relationship may be running in the opposite direction to what prevailing theory would predict. A survey of Ghana Stock Exchange-listed companies found that while the headline proportion of firms reporting on sustainability held broadly steady, at 53 per cent in 2024 against 52 per cent in 2023, the depth and credibility of that reporting fell on several dimensions within a single year: disclosures aligned with the Task Force on Climate-related Financial Disclosures (TCFD) and IFRS S2 dropped from 29 per cent to 19 per cent, the proportion of firms setting carbon-reduction targets declined similarly, and external assurance over sustainability information collapsed from 50 per cent to 25 per cent of reporting firms (KPMG Ghana, 2026). The pattern is striking. Legitimacy theory, and the coercive and normative strands of institutional theory, both predict that mounting regulatory and professional pressure — precisely the conditions Ghana exhibited between 2022 and 2024, as the Exchange's manual matured, the securities regulator embedded ESG criteria in its governance code and ICAG published its roadmap — should produce convergence toward more, not less, substantive

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compliance. That the opposite occurred in the most recent data available has not been explained anywhere in the Ghanaian or wider Sub-Saharan African literature.

The empirical literature on Ghanaian sustainability disclosure is, moreover, poorly positioned to explain it, for three reasons. First, it is overwhelmingly cross-sectional and determinant-focused: studies establish that firm size, industry, age, governance structure or stakeholder pressure predict the incidence or extent of disclosure (Welbeck et al., 2017; Alessa et al., 2024; Appiah-Kubi, 2024), but do not track how disclosure substance changes over time, or relate such change to the tightening of the regulatory environment. Second, where outcomes are examined, the focus is typically the consequences of disclosure for firm-level financial performance (Saeed et al., 2023, 2025a) or for governance-linked reporting against the Sustainable Development Goals (Saeed et al., 2025b), rather than the credibility or depth of the disclosure itself. Third, no existing study brings the regulatory architecture, the applicable theory and the firm-level practice evidence into a single integrated account spanning Ghana's specific transition window, from the 2019 Sustainable Banking Principles through to the 2027 mandatory deadline; the architecture and the practice evidence have to date been documented in parallel rather than jointly interpreted.

This paper addresses that gap. It does not claim to resolve the puzzle definitively — that requires the panel-based empirical work specified later in the paper — but it offers the first theory-integrated account of why headline participation and disclosure substance may be diverging during Ghana's transition, and it does so through a review method whose search strategy, sources and inclusion criteria are reported transparently, so that the evidence base on which the account rests can itself be assessed and extended.

Four objectives follow. The first is to clarify the conceptual and theoretical foundations of sustainability accounting and to demonstrate, rather than assert, their analytical purchase on the Ghanaian case. The second is to map and critically appraise the regulatory and institutional architecture that now governs sustainability reporting in Ghana, with explicit attention to overlaps, enforcement capacity and timing conflicts across regulators. The third is to characterise the state of practice using the fullest available body of Ghana-specific firm-level evidence. The fourth is to integrate these strands into an explanation — the decoupling account — for the gap between architecture and substance, and to draw out its implications for regulators, firms, the accountancy profession and researchers.

The paper makes three contributions. Theoretically, it moves the Ghanaian literature beyond the single-theory, determinant-focused designs that dominate it, by integrating legitimacy, stakeholder, institutional and signalling theory into a decoupling framework capable of explaining disclosure trajectory rather than disclosure incidence. Empirically, it assembles and interprets jointly, for the first time, the regulatory instruments and the firm-level practice evidence covering the period immediately before and after the ISSB roadmap. Methodologically, it applies a documented and replicable search protocol to a body of literature that has previously been

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synthesised only informally, making the evidential basis of its claims auditable by subsequent researchers.

The remainder of the paper is organised as follows. Section 2 sets out the conceptual terrain, tailored throughout to the conditions of a resource-dependent, partially informal economy. Section 3 develops four theoretical lenses, derives a testable proposition from each and integrates them into a decoupling framework. Section 4 reports the review method. Section 5 appraises Ghana's regulatory architecture critically. Section 6 synthesises the state of practice and tests the propositions against it. Section 7 analyses drivers and barriers through the decoupling lens. Section 8 sets out implications and a research agenda, and Section 9 concludes.

2. Conceptual Foundations

2.1 From Social and Environmental Accounting to Sustainability Accounting

Sustainability accounting is best understood as the contemporary expression of a longer tradition of social and environmental accounting (SEA). That tradition emerged from the insight that conventional financial accounting, by recognising only those transactions that affect the reporting entity's own assets and liabilities, systematically renders invisible the externalities a firm imposes on, or the benefits it confers upon, society and the natural environment (Gray et al., 1996). Where financial accounting answers to the providers of capital, SEA extends accountability to a wider constituency of stakeholders and to the public interest, and seeks to make visible impacts that markets do not price.

This extension of accountability carries different stakes in a resource-dependent African economy than in the advanced-economy settings in which the SEA literature originated. Three features of the Ghanaian context change what making externalities visible requires in practice. First, the externalities most consequential for Ghana — water contamination, deforestation and the loss of agricultural land associated with artisanal and small-scale gold mining — are generated disproportionately by an informal and quasi-legal sector that sits largely outside the reporting perimeter altogether. A conventional SEA frame, built around the disclosure choices of incorporated and often listed entities, captures large-scale mining companies and formal-sector firms but is structurally blind to the artisanal and small-scale mining (ASM) sector, whose share of national gold production rose from roughly 28 per cent in 2023 to around 39 per cent in 2024 even as large-scale output declined (Akeliwira, 2026). Second, regulatory enforcement capacity in Ghana is constrained relative to the advanced-economy regulators around which much of the disclosure literature was built, so that the gap between what an instrument requires on paper and what is actually monitored and sanctioned is wider, and more consequential for interpreting disclosure, than in well-resourced jurisdictions. Third, Ghana's developmental priorities — employment generation, foreign exchange earnings and poverty reduction — are frequently advanced by the same extractive and agricultural activities that generate the externalities in question, producing a policy tension between restriction and accommodation that has no close

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analogue in the mature-economy literature. Sustainability accounting in Ghana therefore operates over a narrower formal perimeter, under thinner enforcement, and against a sharper development-versus-environment trade-off than the SEA tradition typically assumes. Each of these conditions recurs throughout the analysis that follows.

The modern field encompasses several overlapping strands. Environmental management accounting concerns the generation and use of physical and monetary information on energy, water, materials and waste for internal decision-making (Burritt and Schaltegger, 2010). Social accounting addresses labour practices, human rights, community relations and product responsibility, dimensions with particular salience in Ghana's mining communities, where land tenure, resettlement and livelihood disruption are recurring sources of community–firm tension. External sustainability reporting communicates this information to outside stakeholders, while integrated reporting seeks to weave financial and non-financial information into a single account of how an organisation creates value over time (IIRC, 2021). The widely used ESG shorthand reflects the lens through which the investment community organises and consumes sustainability information, and it is this investor-facing variant, rather than the broader impact-oriented tradition, that dominates Ghana's recent regulatory instruments.

2.2 Sustainability, the Triple Bottom Line and the Limits of a Universal Framing

Underpinning the field is the concept of sustainable development, canonically defined as development that meets the needs of the present without compromising the ability of future generations to meet their own needs (WCED, 1987; Salakpi et al., 2026). Translated into the corporate sphere, the idea found influential expression in Elkington's (1997) triple bottom line, which holds that organisational performance should be evaluated not on financial results alone but across three interdependent dimensions — economic, environmental and social — often glossed as profit, planet and people.

Applied without qualification to Ghana, the triple bottom line risks treating the three dimensions as separable and commensurable in a way that obscures the central policy tension of a resource-dependent economy. Gold mining is simultaneously among the most significant sources of the economic dimension, through foreign exchange, employment and government revenue, and among the most damaging to the environmental dimension, through water pollution, deforestation and land degradation. For Ghana's anchor sectors the three pillars are therefore frequently in direct tension rather than parallel goals to be jointly optimised. This is less a flaw in the concept than a reminder that its application requires sector-specific judgement about where trade-offs, rather than complementarities, predominate — a judgement the conceptual literature itself rarely makes explicit.

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2.3 The Reporting Ecosystem and the Emerging Global Baseline

For much of its history, sustainability reporting was characterised by a proliferation of competing and complementary frameworks. The Global Reporting Initiative (GRI) Standards, oriented toward a broad stakeholder audience and the disclosure of an organisation's impacts on the economy, environment and people, became the most widely adopted reference globally and provided the technical foundation for the Ghana Stock Exchange's disclosure guidance. The Sustainability Accounting Standards Board (SASB) developed industry-specific, financially material metrics, while the TCFD advanced a four-pillar architecture — governance, strategy, risk management, and metrics and targets — for climate-related reporting.

The issuance of IFRS S1 and IFRS S2 in 2023 marks a decisive step toward consolidation. IFRS S1 establishes general requirements for the disclosure of sustainability-related risks and opportunities that could reasonably be expected to affect a firm's cash flows, access to finance or cost of capital, while IFRS S2 sets out specific climate-related requirements; both build directly on the TCFD pillars and incorporate SASB-based industry guidance (IFRS Foundation, 2023). This is a single-materiality, investor-focused baseline, in contrast to the double-materiality orientation of the GRI, which asks firms to report both how sustainability issues affect them financially and how their activities affect society and the environment regardless of financial consequence.

The distinction matters for Ghana specifically. The Exchange's existing ESG Disclosures Guidance Manual is GRI-aligned and therefore impact-oriented, whereas the standard ICAG has chosen to adopt is investor-oriented. The country's transition is consequently not merely from voluntary to mandatory disclosure but from one materiality philosophy to another — a shift whose implications for architectural coherence, and whose data-governance and enforcement demands, are central to the decoupling explanation developed below.

3. Theoretical Framework and Propositions

Research on why organisations disclose sustainability information, and on the social functions such disclosure performs, draws on a cluster of complementary theoretical perspectives. This section sets out four, but departs from a purely descriptive treatment. Each subsection states the theory's core mechanism and then uses that mechanism to derive a specific, falsifiable proposition about Ghanaian practice, which Section 6 tests against the available evidence. The four lenses are subsequently integrated into the decoupling framework that organises the remainder of the paper.

3.1 Legitimacy Theory

Legitimacy theory conceives of the organisation as operating under an implicit social contract with the society that grants it the right to exist, and holds that organisations seek to ensure their activities are perceived as legitimate, that is, as congruent with prevailing social values and expectations (Suchman, 1995; Deegan, 2002). When a gap opens between corporate conduct and societal

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expectations, disclosure becomes a strategic instrument through which firms seek to repair, maintain or enhance legitimacy, often without a commensurate change in underlying conduct. The seminal evidence that firms increase environmental disclosure in the aftermath of adverse events and public scrutiny is consistent with this account (Patten, 1992; Cho and Patten, 2007).

Applied to Ghana, legitimacy theory generates a specific expectation for the extractive sector. Firms most exposed to galamsey-related controversy and reputational risk should disclose more, but the theory's own logic — that legitimacy-seeking disclosure need not track substantive improvement — predicts that such disclosure will be narrative and reputation-focused rather than quantitative and verifiable. This is a testable distinction rather than descriptive colour: it implies that high disclosure volume in the extractive sector should coexist with low assurance uptake and limited quantitative environmental metrics. It further implies that legitimacy pressure should intensify, and disclosure volume rise, around periods of acute galamsey controversy, independent of any change in the regulatory deadline calendar — a within-country, time-varying prediction that cross-sectional determinant studies cannot test.

> **P1.** In Ghana's extractive sector, exposure to legitimacy pressure is associated with greater disclosure volume but not with greater disclosure verifiability, such that high narrative disclosure coexists with low assurance uptake and few quantitative environmental metrics.

3.2 Stakeholder Theory

Stakeholder theory shifts the analytical focus from society in the aggregate to the specific groups that affect, or are affected by, the achievement of organisational objectives: employees, customers, suppliers, communities, regulators, lenders and others (Freeman, 1984). In its managerial variant, the theory predicts that firms direct disclosure toward the stakeholders who control resources critical to organisational success, using sustainability information to manage relationships and demonstrate responsiveness to stakeholder claims.

Applied to Ghana, the managerial variant generates a sharp, sector-differentiated expectation. Because Ghanaian listed firms and banks depend disproportionately on international lenders and development finance institutions for capital, while domestic communities and informal-sector workers exercise comparatively little resource leverage over the firm, disclosure should be calibrated toward the informational demands of international capital providers rather than toward the communities bearing the environmental cost. Recent Ghana-specific evidence is consistent with this mechanism: stakeholder pressure is a significant driver of ESG disclosure among Ghanaian firms generally (Alessa et al., 2024) and, for small and medium-sized enterprises specifically, perceived benefit and sustainability knowledge — both more readily supplied by externally facing, capital-seeking firms than by domestically oriented ones — condition whether stakeholder pressure translates into disclosure at all (Appiah-Kubi, 2024).

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P2. The boundary of sustainability reporting in Ghana tracks capital-market exposure rather than the geography of environmental and social impact, so that firms dependent on international finance disclose most while the entities generating the largest local externalities disclose least or not at all.

3.3 Institutional Theory and the Decoupling Variant

Institutional theory offers perhaps the most direct purchase on Ghana's recent experience. It holds that organisations adopt structures and practices not only for reasons of technical efficiency but to secure legitimacy within their institutional field, and that they consequently come to resemble one another through processes of isomorphism (DiMaggio and Powell, 1983). Coercive isomorphism arises from regulatory and resource-dependence pressures; mimetic isomorphism from the imitation of peers under uncertainty; and normative isomorphism from professionalisation and shared norms diffused through professional bodies and education.

Ghana's trajectory exhibits all three mechanisms operating concurrently and with unusual intensity over a short period. The Bank of Ghana and the Ghana Stock Exchange exert coercive pressure through binding and quasi-binding instruments; ICAG and the major audit firms exert normative pressure through standard-setting, training and the disciplinary apparatus of the profession; and firms increasingly mimic the disclosure practices of visible domestic and regional peers under conditions of regulatory uncertainty. Conventional applications of institutional theory treat these mechanisms as jointly producing convergence toward the institutionalised practice — in this case, fuller and more credible disclosure.

Institutional theory also contains, however, a less frequently applied strand that specifies when such convergence fails to occur substantively. Organisations facing strong institutional pressure but weak monitoring and enforcement may adopt the formal trappings of compliance — reporting participation, GRI-aligned headings, ESG sections in the annual report — while decoupling these symbolic structures from operational practice and from the costlier elements of compliance, notably third-party assurance (Meyer and Rowan, 1977). Subsequent work distinguishes this classical policy–practice decoupling from means–ends decoupling, in which practices are genuinely implemented but remain only loosely connected to the outcomes they are nominally intended to produce (Bromley and Powell, 2012). Both variants are pertinent to Ghana: the first speaks to the gap between reporting participation and assurance, the second to the gap between an expanding formal architecture and the environmental accountability it was designed to deliver. It is this decoupling strand, rather than the standard convergence account, that the present paper argues is necessary to explain the divergence between stable participation and falling assurance.

P3. Under conditions of strong institutional pressure but limited enforcement capacity, Ghanaian firms will sustain or expand the symbolic form of sustainability reporting while deferring its costly, verifiable components, producing stable participation alongside declining assurance and standards alignment.

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3.4 Signalling and Voluntary Disclosure Perspectives

Signalling theory and the broader voluntary-disclosure literature interpret sustainability reporting as a means by which better-performing firms credibly distinguish themselves from poorer performers under information asymmetry, thereby reducing their cost of capital and improving access to finance (Spence, 1973; Verrecchia, 1983). A defining feature of a credible signal is that it must be costly enough that a poorer-performing firm could not profitably imitate it, which is precisely why third-party assurance, rather than self-reported narrative disclosure, functions as the strongest signal in this framework.

Applied to Ghana, this generates a prediction that converges with the decoupling account from a different theoretical direction. If assurance is the costly, hard-to-imitate component of the signal, then a fall in assurance uptake represents not merely a data point about practice but a weakening of the signalling value of Ghanaian sustainability disclosure as a whole, since narrative, unassured disclosure can be replicated at low cost by firms regardless of underlying performance, eroding the information-asymmetry-reducing function the theory assigns to the practice.

> **P4.** A decline in assurance uptake degrades the signalling value of the whole disclosure population, not only of the firms that withdraw assurance, because unassured narrative disclosure is imitable at low cost and therefore cannot separate performers from non-performers.

3.5 An Integrated Decoupling Framework

These four perspectives are complements rather than rivals, and in combination they motivate the paper’s central analytical claim. Legitimacy and stakeholder theory together explain why Ghanaian firms disclose and to whom disclosure is oriented. Institutional theory, in its decoupling variant, explains how strong symbolic adoption can coexist with weak substantive change under limited enforcement. Signalling theory explains why that coexistence is consequential, since it degrades the very credibility disclosure is meant to establish. Where the existing Ghanaian literature has applied these theories largely as separate and competing explanations of disclosure incidence, this paper treats them as jointly necessary to explain disclosure trajectory. Figure 1 summarises the framework: institutional and legitimacy pressures raise participation; enforcement and capacity constraints filter which components of compliance are actually adopted; and the resulting composition of disclosure determines its signalling value.

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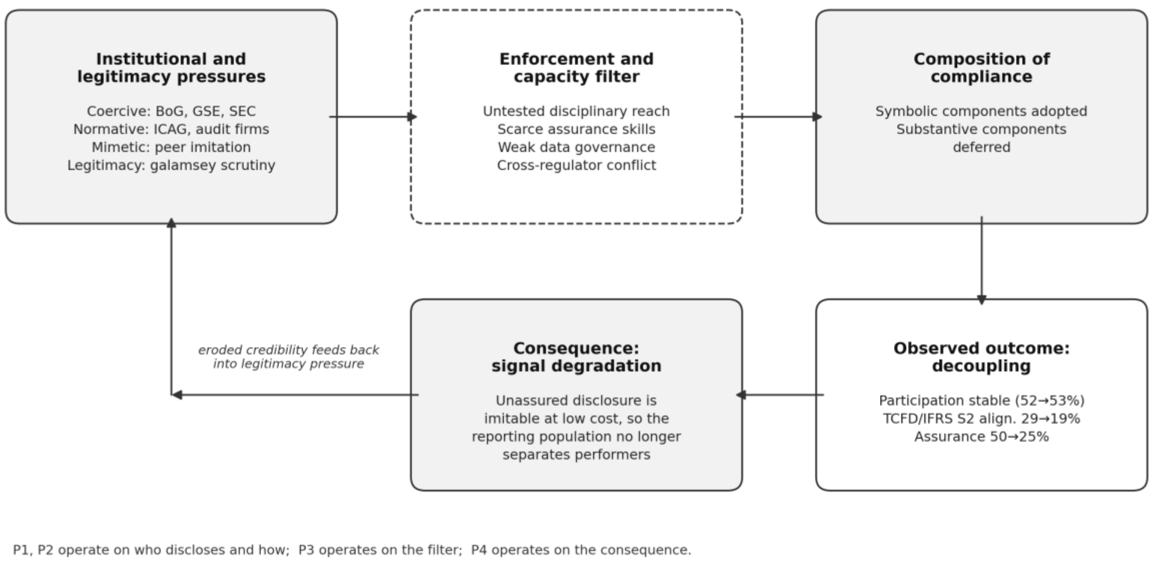
Figure 1. An Integrated Decoupling Framework for Sustainability Disclosure under Weak Enforcement



4. Review Method

The paper adopts a structured narrative review, a method appropriate to a field that is conceptually heterogeneous and, in the Ghanaian case, undergoing rapid regulatory change, but one conducted with the procedural transparency more commonly associated with systematic reviews. Unlike a systematic review or meta-analysis, the paper does not pool effect sizes or restrict itself to a single study design; unlike an unstructured narrative review, it reports its search strategy, sources, screening criteria and resulting evidence base in full, so that the review can be assessed for balance and extended by future researchers. The protocol follows PRISMA reporting conventions adapted for narrative reviews (Page et al., 2021) and combines two complementary strands of evidence. Table 1 summarises the protocol.

Table 1. Review Protocol

Protocol element	Specification
Review type	Structured narrative review conducted with systematic-review procedural transparency; PRISMA reporting conventions adapted for narrative reviews (Page et al., 2021)

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Databases searched	Scopus; Web of Science; Google Scholar; SSRN
Supplementary sources	Websites and published issuances of BoG, GSE, SEC, ICAG, NIC and Ministry of Finance; Big Four practitioner reports; institutional repositories (KNUST, University of Ghana, UBIDS)
Date range	January 2010 to December 2025
Geography string	Ghana OR "Sub-Saharan Africa"
Topic string	sustainab* OR ESG OR "environmental disclosure" OR "social and environmental accounting" OR "integrated report*" OR "carbon disclosure"
Theory string (second pass)	legitima* OR "stakeholder theory" OR "institutional theory" OR isomorphism OR signal*
Inclusion criteria	Ghana-specific empirical or documentary focus (or SSA with separately reported Ghana findings); peer-reviewed article, regulator or Big Four report, or thesis from a recognised institution; English language
Exclusion criteria	No accounting, disclosure or reporting dimension; conference abstracts, non-peer-reviewed commentary or unreviewed working papers; findings duplicating a fuller publication by the same authors
Screening	Title and abstract screening, followed by full-text assessment
Records retained, strand one	Six core regulatory instruments (Table 2), read against GRI, TCFD, SASB and IFRS S1/S2 and the Companies Act 2019, Minerals and Mining Act 2006 and Labour Act 2003
Records retained, strand two	Nine sources: six peer-reviewed articles and three practitioner reports; one further sector study retained as contextual background

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Synthesis	Thematic synthesis organised by theoretical lens and regulatory domain (Snyder, 2019); direct extraction and year-on-year comparison of quantitative disclosure metrics

Note: Compiled by the authors. A numerical PRISMA flow diagram is not reported because the search was iterative and supplemented by citation chaining rather than conducted as a single enumerable extraction; the full record list is available from the corresponding author on request.

4.1 Strand One: Documentary Analysis of Regulatory Instruments

The first strand is a documentary analysis of the primary regulatory and institutional instruments that constitute Ghana's sustainability reporting architecture. Instruments were identified by direct reference to the websites and published issuances of the Bank of Ghana, the Ghana Stock Exchange, the Securities and Exchange Commission, ICAG, the National Insurance Commission and the Ministry of Finance, supplemented by the underpinning statutes — the Companies Act 2019 (Act 992), the Minerals and Mining Act 2006 (Act 703) and the Labour Act 2003 (Act 651) — and read against the global standards they reference, namely GRI, TCFD, SASB and IFRS S1 and S2. All instruments in force or formally announced were included; superseded drafts and consultation documents were excluded unless directly relevant to interpreting a current instrument's drafting history. Six instruments constitute the core architecture and are summarised in Table 2.

4.2 Strand Two: Search and Screening of the Scholarly and Practitioner Literature

The second strand is a documented search of the academic and practitioner literature on sustainability and environmental disclosure in Ghana, conducted across Scopus, Web of Science, Google Scholar and SSRN, supplemented by targeted searching of the websites of the Big Four accounting firms for practitioner survey reports and of the institutional repositories of the Kwame Nkrumah University of Science and Technology, the University of Ghana and the Simon Diedong Dombo University of Business and Integrated Development Studies for relevant theses.

Search terms combined a geography term — Ghana OR "Sub-Saharan Africa" — with a topic term — sustainab* OR ESG OR "environmental disclosure" OR "social and environmental accounting" OR "integrated report*" OR "carbon disclosure" — and, in a second pass, a theory term — legitima* OR "stakeholder theory" OR "institutional theory" OR isomorphism OR signal* — to ensure theoretical as well as empirical coverage. The search covered publications from January 2010 to December 2025, capturing the period from the early Ghanaian disclosure literature, which draws on data from 2003 onwards, through to the most recent post-roadmap practitioner evidence.

Studies were included if they examined sustainability, ESG, environmental or social disclosure with primary empirical or documentary reference to Ghana, or to Sub-Saharan Africa with substantial Ghana-specific findings reported separately; were published in a peer-reviewed journal,

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as a regulator or Big Four practitioner report, or as a doctoral or master's thesis from a recognised institution; and were available in English. Studies were excluded if they addressed sustainability or environmental topics without an accounting, disclosure or reporting dimension; were conference abstracts, non-peer-reviewed commentary, or working papers without an identifiable institutional review process, except where used explicitly to illustrate practitioner or regulatory framing; or duplicated findings already captured in a more complete or more recent publication by the same authors.

Records identified through the database searches were screened first by title and abstract against the inclusion criteria, then by full text. Title-and-abstract screening removed records that were geographically out of scope, that addressed environmental subject matter with no accounting or reporting dimension, or that were ineligible by publication type. Full-text assessment then removed records reporting Sub-Saharan African coverage without separately identifiable Ghana-specific findings, and records duplicating findings presented more completely elsewhere by the same author team. Nine sources met all criteria and constitute the scholarly and practitioner evidence base for the synthesis: six peer-reviewed journal articles (Welbeck et al., 2017; Saeed et al., 2023; Alessa et al., 2024; Appiah-Kubi, 2024; Saeed et al., 2025a, 2025b) and three practitioner survey and comparative reports (KPMG Ghana, 2024, 2025, 2026). One further sector study (Akeliwira, 2026) was retained as contextual background and is cited for evidence on the artisanal and small-scale mining economy rather than as disclosure evidence. This evidence base is read alongside the six regulatory instruments identified in strand one. The theoretical and methodological literature cited in Section 3 was identified by targeted rather than database searching and therefore falls outside this screening flow. Consistent with PRISMA's provision for reviews that are not systematic reviews of intervention effects (Page et al., 2021), the search was conducted iteratively and supplemented by citation chaining rather than as a single enumerable extraction; a numerical flow diagram is accordingly not reported, and the full record list is available from the authors on request.

4.3 Synthesis Approach

Included sources were synthesised thematically rather than through formal meta-analysis, organised around the four theoretical lenses set out in Section 3 and the regulatory architecture set out in Section 5, consistent with the integrative aims of a narrative review (Snyder, 2019). Where studies reported quantitative findings on disclosure incidence, extent or assurance over time, these were extracted and compared directly, as in the year-on-year comparison that underpins the paper's central empirical claim.

4.4 Limitations of the Review Approach

Three limitations should be acknowledged at the outset rather than deferred to the conclusion. First, as a narrative rather than systematic review, the paper does not claim exhaustive coverage of the unpublished or grey literature, notwithstanding the structured protocol above, and some

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relevant institutional reports or theses may not have been captured. Second, because several of the governing instruments are recent and their mandatory phases lie in the near future, the assessment of their effects is necessarily partly prospective. Third, the empirical claim motivating the paper's gap statement — the 2023 to 2024 decline in disclosure depth and assurance — rests on a single practitioner survey rather than an independently replicated academic dataset. It is treated throughout as a motivating stylised fact requiring further empirical testing, not as a definitively established finding, and the paper's claims are calibrated accordingly.

5. The Institutional and Regulatory Architecture: A Critical Appraisal

Ghana's framework for sustainability accounting has been assembled by several institutions acting in their respective domains, producing a layered architecture spanning the banking system, the capital market, the insurance sector and the accountancy profession. Table 2 summarises the principal instruments. The discussion that follows examines each not only for its scope but for its enforcement capacity, its overlap with neighbouring instruments and the timing conflicts it creates as Ghana moves toward 2027.

Table 2. Core Sustainability and ESG Reporting Instruments in Ghana

Instrument or framework	Lead body	Year	Scope and current status
Sustainable Banking Principles and Sector Guidance Notes	Bank of Ghana	2019	Seven principles and five sector guidance notes for banks; ESG reporting template via the regulatory analytics and surveillance platform from 2021. Largely voluntary and supervisory.
Corporate Governance Code for Listed Companies	Securities and Exchange Commission	2020	Governance code for listed firms incorporating ESG dimensions; complements the Exchange's disclosure guidance.
Sustainable Financing Framework; Green Finance Taxonomy	Ministry of Finance; Government of Ghana	2021; 2023	Enabling framework for green and sustainability-linked financing and classification of environmentally sustainable activities.

DOI: https://doi.org/10.56879/ijbm.v5i2.105

ESG Disclosures Guidance Manual	Ghana Stock Exchange	2022	GRI-aligned guidance for listed companies specifying mandatory and optional ESG topics, with tiered reporting by size and readiness.
IFRS S1 and S2 adoption roadmap	Institute of Chartered Accountants, Ghana	2024	Voluntary application 2024–2026; mandatory for significant public-interest entities from January 2027 and for other companies from January 2028.
Climate-Related Financial Risk Directive	Bank of Ghana	2024	Requires regulated financial institutions to identify, manage and disclose climate-related risks; aligned with Basel guidance and IFRS S2; effective for banks from January 2026.

Source: Compiled by the authors from the cited regulatory instruments.

5.1 The Accountancy Profession and the IFRS Sustainability Disclosure Standards

The most consequential development is the decision of ICAG, which holds the statutory mandate for setting and enforcing financial and now sustainability reporting standards, to adopt the IFRS Sustainability Disclosure Standards. Under the roadmap approved in 2024, application of IFRS S1 and S2 is voluntary during a transitional period from 2024 to 2026, becomes mandatory for significant public-interest entities for annual reporting periods beginning in January 2027, and extends to other companies incorporated under the Companies Act from January 2028 (ICAG, 2024). The roadmap is decisive because it converts sustainability disclosure from a discretionary, framework-of-choice exercise into an enforceable obligation backed by the profession's standard-setting and disciplinary authority, and because it aligns Ghana with a small but growing group of African jurisdictions, including Nigeria, Kenya and Tanzania, moving to embed the ISSB baseline in national requirements.

ICAG's own published rationale for the phasing is, however, candid about the capacity problem. The roadmap states explicitly that sustainability reporting is new for most companies incorporated in Ghana, that sensitisation, capacity-building and reskilling are preconditions for effective implementation, and that early mandatory adoption could conflict with voluntary frameworks firms already use (ICAG, 2024). This amounts to a regulator-acknowledged readiness and enforcement gap rather than a confident claim of institutional capacity, and it should temper any assumption that 2027 will mark a clean transition from voluntary to substantively mandatory

DOI: https://doi.org/10.56879/ijbm.v5i2.105

disclosure. ICAG's disciplinary authority over sustainability disclosure is, moreover, largely untested. The Institute's established enforcement record concerns financial reporting and audit quality, and whether the same disciplinary apparatus can be extended credibly to greenhouse-gas accounting, climate scenario analysis and materiality judgements — competencies the profession itself acknowledges are scarce — remains an open question rather than a settled fact.

5.2 The Banking System: Sustainable Banking Principles and Climate-Risk Disclosure

The Bank of Ghana has been an early and active mover. Building on a process initiated with the Sustainable Banking Committee in 2015, the central bank launched the Ghana Sustainable Banking Principles in November 2019 in collaboration with the Ghana Association of Banks, the Environmental Protection Agency and the International Finance Corporation (Bank of Ghana, 2019). The Principles comprise seven commitments covering environmental and social risk management; internal ESG practices in banks' own operations; corporate governance and ethical standards; gender equality; financial inclusion; resource efficiency and sustainable production and consumption; and reporting. They are supplemented by five sector guidance notes addressing agriculture and forestry; mining, oil and gas; construction and real estate; power and energy; and manufacturing. To operationalise the seventh principle, the Bank introduced a standardised ESG reporting template in 2021 through which banks report progress via its regulatory analytics and surveillance platform.

The central bank has since moved from principles toward binding requirements in the climate domain. Its Climate-Related Financial Risk Directive, issued in 2024 and effective for banks from January 2026, requires regulated financial institutions to identify, manage and disclose climate-related financial risks, places explicit responsibility on boards and senior management, and is expressly aligned with Basel Committee guidance and with IFRS S2 (Bank of Ghana, 2024). The Directive represents a significant hardening of expectations, signalling a shift from discretionary, capacity-building engagement toward formal regulatory obligation in the financial sector.

Two qualifications are nonetheless material. The central bank has itself acknowledged that implementation of even the voluntary Principles has been constrained by inadequate awareness, uneven institutional commitment, limited internal capacity and budgetary pressure on the supervisor (KPMG Ghana, 2025) — the same capacity language ICAG uses for the accountancy profession. And the Directive's effective date for banks, January 2026, now precedes ICAG's mandatory deadline for significant public-interest entities by a full year, creating a sequencing question the architecture does not resolve. Banks face a binding climate-disclosure obligation under central bank supervision before ICAG's own sustainability reporting standard becomes mandatory for the same institutions, raising a live question of which regulator's metrics, assurance expectations and enforcement posture will govern bank disclosure in the intervening period, and whether the two will have converged by the time ICAG's deadline arrives.

5.3 The Capital Market: he ESG Disclosures Guidance Manual

DOI: https://doi.org/10.56879/ijbm.v5i2.105

For listed companies the central instrument is the ESG Disclosures Guidance Manual launched by the Ghana Stock Exchange in November 2022, developed with technical support from the GRI and partners including the Swiss State Secretariat for Economic Affairs and the African Securities Exchanges Association (Ghana Stock Exchange, 2022). Aligned with the GRI Standards, the manual specifies mandatory ESG topics that listed companies are expected to disclose alongside optional topics, proposes a common set of metrics to facilitate comparability across issuers, and adopts a tiered approach calibrated to company size and readiness. It complements the Securities and Exchange Commission's Corporate Governance Code for Listed Companies (SEC Ghana, 2020), which incorporates ESG dimensions, and positions the Exchange among the global community of exchanges providing ESG reporting guidance.

The manual's GRI-aligned, double-materiality orientation nonetheless sits in direct philosophical tension with the single-materiality, investor-focused orientation of the standards ICAG has adopted. From 2027 a listed company will face mandatory ICAG-enforced disclosure under one materiality philosophy and Exchange-recommended disclosure under another, with no published instrument yet specifying how the two are to be reconciled within a single report. This is precisely the fragmentation risk the literature on multi-regulator ESG regimes warns against, and it is a coherence problem of the Exchange's and ICAG's own making rather than an externally imposed constraint — which is what makes the recent ICAG–GRI collaboration to harmonise the manual's revision with the ISSB roadmap a necessary, rather than merely desirable, next step.

5.4 Supporting Instruments and Underpinning Legislation

These flagship frameworks sit atop a wider supporting architecture. The National Insurance Commission has issued ESG guidelines for the insurance industry; the Government has published a Sustainable Financing Framework to channel green and social financing and has launched a Green Finance Taxonomy to classify environmentally sustainable activities. Underpinning legislation provides the statutory backdrop: the Companies Act 2019 governs corporate disclosure and governance; the Minerals and Mining Act 2006 contains environmental and community provisions material to the extractive sector; the Labour Act 2003 addresses social and labour protections; and the environmental impact assessment regime administered by the Environmental Protection Agency governs environmental disclosure in project development.

A specific and consequential gap runs through this supporting layer. The Minerals and Mining Act's environmental and community provisions apply in principle to all mining activity but are, in practice, far more difficult to enforce against artisanal and small-scale operations than against large-scale, formally licensed companies. Because ASM's share of national gold output is rising rapidly, this enforcement gap now applies to a growing rather than a shrinking segment of the sector (Akeliwira, 2026). The sustainability accounting architecture reviewed here — built almost entirely around listed companies, banks and large public-interest entities — therefore has essentially no purchase on a segment of the extractive industry responsible for a substantial and

DOI: https://doi.org/10.56879/ijbm.v5i2.105

growing share of national gold output and of associated environmental harm. This is not a peripheral observation. It means that even a fully successful implementation of the IFRS S1 and S2 mandate by 2028 would leave a significant part of Ghana's mining-related environmental accountability gap untouched by sustainability accounting as currently architected.

5.5 The Coherence Challenge

The breadth of this architecture is a strength, but it poses a challenge of coherence that the foregoing analysis shows to be substantive rather than merely procedural. Multiple regulators — the central bank, the securities regulator, the stock exchange, the insurance commission and the accountancy profession — operate within overlapping domains, and the effectiveness of the overall system depends on an alignment of their requirements that does not yet exist on at least three concrete dimensions: the Exchange's double-materiality orientation against ICAG's single-materiality standard; the central bank's 2026 bank-specific deadline preceding ICAG's 2027 deadline for the same institutions; and the structural exclusion of the ASM sector from an architecture built around formal, large public-interest entities. Recent collaboration between ICAG and the GRI, aimed at harmonising the revision of listed-company ESG guidance with the profession's adoption of the ISSB standards, illustrates both recognition of this challenge and an emerging effort to address it, but as of this review no published timetable or reconciliation document has resolved the specific overlaps identified here.

6. The State of Practice: Evidence Against the Propositions

This section synthesises the available Ghana-specific empirical evidence and assesses it explicitly against the propositions derived in Section 3, rather than presenting the evidence as a freestanding descriptive account.

6.1 Listed Companies and the 2023–2024 Disclosure Pattern

The historical baseline of practice among Ghanaian listed firms is well established and modest. In the most cited empirical study of the subject, a content analysis of seventeen companies listed on the Ghana Stock Exchange over the period 2003 to 2012, benchmarked against the GRI index, found that listed firms disclosed some environmentally related information but that the overall level of disclosure was low and skewed toward product- and service-related information rather than the fuller range of environmental impacts (Welbeck et al., 2017). The study further established that environmentally sensitive firms disclosed more than their less sensitive counterparts, and that firm size, industry type and firm age were the principal determinants of disclosure — findings consistent with both legitimacy and institutional accounts and with the broader international evidence.

More recent evidence allows this static picture to be replaced with a trajectory, and the trajectory is the central empirical observation of the paper. Successive annual surveys of listed companies found that the headline proportion of firms reporting on sustainability was essentially flat between

DOI: https://doi.org/10.56879/ijbm.v5i2.105

2023 and 2024, but that the composition of that reporting shifted markedly toward symbolic rather than substantive compliance within a single year (KPMG Ghana, 2024, 2026). Table 3 sets out the year-on-year comparison.

Table 3. Disclosure Participation and Disclosure Substance among Ghana Stock Exchange-Listed Companies, 2023 and 2024

Disclosure metric	2023	2024	Direction
Listed firms reporting on sustainability	52%	53%	Stable
Disclosures aligned with the TCFD framework	29%	19%	Decline
Disclosures aligned with IFRS S2	13%	10%	Decline
Reporting firms setting carbon-reduction targets	n.s.	n.s.	Decline
Reporting firms obtaining external assurance	50%	25%	Decline
Reporting firms preparing entity-specific (rather than group-level) disclosures	25%	50%	Increase

Source: Compiled by the authors from KPMG Ghana (2024, 2026). Participation is expressed as a share of listed companies surveyed; assurance and entity-specific reporting are expressed as a share of reporting firms. "n.s." denotes a change reported directionally in the source without separately stated percentages.

Two features of Table 3 warrant emphasis. First, the components that decline are, without exception, the costly and verifiable ones: standards alignment, target-setting and third-party assurance. Second, the components that hold steady or expand are those that constitute the visible form of reporting: participation itself and the localisation of disclosure at entity rather than parent-group level. That a growing share of reporting firms prepared entity-specific rather than group-level disclosures indicates that the formal apparatus of Ghana-specific reporting is expanding even as its substantive content thins.

DOI: https://doi.org/10.56879/ijbm.v5i2.105

This is precisely the pattern the decoupling lens predicts and that a simple coercive-isomorphism account cannot explain. Firms are not retreating from the symbolic structure of reporting — indeed they are localising and formalising it — while simultaneously retreating from its costliest and most credibility-conferring component, third-party assurance, in the immediate run-up to a mandatory deadline whose final requirements and enforcement posture remain unspecified. P3 is therefore supported by the available evidence, and P4 follows analytically: with assurance halved, the disclosure population as a whole becomes less capable of separating genuine performers from imitators, so the informational value of Ghanaian sustainability reporting to external capital providers declines even for firms that maintained assurance.

An alternative and more benign reading is nonetheless available and should be acknowledged. The decline in standards alignment and assurance could reflect firms pausing voluntary best-practice adoption while awaiting ICAG's finalised mandatory requirements, rather than strategic decoupling, since investing in assurance against a standard that may yet be revised carries its own cost. The evidence available cannot fully distinguish these two explanations, which is precisely why the research agenda below calls for panel-based work tracking the same firms through the 2027 transition rather than relying on a single cross-year comparison.

A separate strand of Ghanaian research has examined the consequences rather than the determinants of disclosure. A ten-year panel of twenty listed manufacturing firms covering 2012 to 2021 found that environmental sustainability disclosure was positively and significantly associated with return on equity and net profit margin, with health, safety and community-development disclosures showing a particularly strong association with return on equity (Saeed et al., 2025a). A related study of listed financial firms over 2009 to 2020, grounded explicitly in stakeholder theory, found that corporate governance structures shape the extent to which firms direct disclosure toward reporting aligned with the Sustainable Development Goals (Saeed et al., 2025b). Together with the stakeholder-pressure evidence discussed above (Alessa et al., 2024), this literature establishes that disclosure is not merely a costless legitimation exercise for Ghanaian firms but carries measurable financial-performance correlates, which sharpens rather than resolves the puzzle of why assurance investment is falling even as the firm-level business case for disclosure strengthens.

This interpretation should nevertheless be treated with caution. Corporate disclosures and financial statements may not always provide a faithful representation of firms' actual economic situation, particularly in contexts where tax evasion and informal business practices are prevalent (Carbonell and Nassè, 2020). Disclosure scores and reported sustainability practices should therefore be interpreted as indicators of reported corporate behaviour rather than as definitive evidence of underlying sustainability performance.

6.2 The Banking Sector

DOI: https://doi.org/10.56879/ijbm.v5i2.105

In the banking sector, the Sustainable Banking Principles have catalysed measurable institutional change: banks have endorsed the Principles, reported progress through the central bank's standardised template and participated in successive rounds of capacity building. At the same time, the central bank has acknowledged that implementation is constrained by inadequate awareness, uneven institutional commitment, limited internal capacity and budgetary pressure on the supervisor (KPMG Ghana, 2025). The shift to binding climate-risk disclosure under the 2024 Directive, effective from January 2026, will be the first direct test of whether the foundations laid by the voluntary Principles can support a regime of formal, verifiable obligation. It will do so a full year before ICAG's mandatory deadline applies to the same institutions, which makes the banking sector a leading indicator of whether the broader decoupling pattern persists, narrows or widens once a binding deadline actually arrives.

6.3 The Extractive Sector

The extractive industries occupy a distinctive and structurally incomplete position. Large-scale, formally licensed mining companies are the most environmentally and socially visible segment of the economy and the segment most exposed to legitimacy pressures generated by mining-related controversy. Consistent with P1, these firms tend to exhibit comparatively higher levels of environmental and social disclosure, reinforced by the environmental and community provisions of the Minerals and Mining Act and by the expectations of international parent companies and financiers. Disclosure in this formal segment is nonetheless uneven in quality and frequently oriented toward the management of reputation and community relations rather than toward the comprehensive, quantitative accounting the emerging standards envisage — again consistent with P1's expectation that legitimacy-driven disclosure in this sector should be narrative rather than verifiable.

The artisanal and small-scale segment, by contrast, generates a substantial share of the sector's environmental impact, including water contamination, deforestation and agricultural land loss, while remaining almost entirely outside any sustainability accounting framework reviewed here. ASM's share of national gold production rose from roughly 28 per cent to around 39 per cent between 2023 and 2024 alone, even as large-scale output declined, and the segment has also been identified as a significant source of revenue loss through smuggling and undervalued exports (Akeliwira, 2026). Yet none of the six instruments summarised in Table 2 reaches this segment in any binding way, and the permitting regime that notionally applies to small-scale mining has struggled to keep pace with the sector's rapid growth. The extractive sector therefore illustrates P2 in concentrated form: visible, capital-market-facing disclosure is expanding and professionalising, while the environmental accountability gap that originally motivated Ghana's sustainability reporting agenda is, in its largest and fastest-growing single source within mining, essentially unaddressed by that agenda.

6.4 Overall Assessment

DOI: https://doi.org/10.56879/ijbm.v5i2.105

Taken together, the evidence supports a more precise characterisation of the prevailing state of sustainability accounting in Ghana than a simple account of low but improving practice would suggest. Headline reporting participation among large, listed and environmentally sensitive firms is stable and has been for several years; disclosure is real enough to carry measurable financial-performance correlates; but the most recent year-on-year evidence shows the substantive, costly and verifiable components of that disclosure declining rather than deepening in the immediate approach to ICAG's mandatory deadline, while the segment responsible for the largest share of mining-related environmental harm remains structurally outside the reporting perimeter. Table 4 records the status of each proposition against this evidence.

Table 4. Propositions and their Status against the Reviewed Evidence

	Theoretical lens	Expected pattern	Status against reviewed evidence
P1	Legitimacy theory	High disclosure volume but low verifiability where legitimacy pressure is acute	Consistent with the evidence on large-scale mining, whose disclosure is comparatively extensive but reputation-oriented; not directly tested, as sector-disaggregated assurance data are unavailable
P2	Stakeholder theory	Reporting perimeter tracks capital-market exposure rather than the geography of impact	Supported. The architecture reaches listed firms, banks and large public-interest entities, while the ASM sector, at roughly 39% of national gold output in 2024, lies outside every instrument reviewed
P3	Institutional theory (decoupling)	Symbolic form sustained while costly, verifiable components are deferred	Supported by the 2023–2024 pattern in Table 3. The rival explanation of rational deferral ahead of finalised requirements cannot be excluded on present evidence

DOI: https://doi.org/10.56879/ijbm.v5i2.105

P4	Signalling theory	Population-level degradation of signal quality as assurance falls	Follows analytically from P3 but remains untested; requires value-relevance evidence on how capital providers price assured against unassured Ghanaian disclosure

Source: Authors' analysis.

This profile is broadly consistent with patterns of institutional decoupling documented elsewhere in weak-enforcement settings (Meyer and Rowan, 1977; Boiral, 2013; Bromley and Powell, 2012), and it defines a more specific and more troubling deficit than the literature has previously characterised: not merely that disclosure is low, but that the trajectory of its most credible components may be moving in the wrong direction at precisely the moment regulatory pressure is intensifying.

7. Discussion: Drivers, Barriers and the Composition of Compliance

Sections 5 and 6 established, respectively, an architecture under coherent strain and a practice trajectory consistent with institutional decoupling rather than straightforward convergence. This section asks why: which drivers push toward symbolic, low-cost compliance, and which barriers specifically obstruct the costlier, substantive components whose decline the evidence documents. The organising insight is that drivers and barriers in Ghana do not act uniformly on disclosure as such, but act differentially on its components, and that this differential incidence is what produces decoupling.

7.1 Drivers and their Bias toward Symbolic Compliance

The factors propelling the expansion of sustainability accounting in Ghana can be grouped into institutional, market and firm-level drivers, but each, on inspection, is better suited to explaining the expansion of reporting participation than the deepening of reporting substance.

Institutionally, the dominant force is the coercive pressure now exerted by regulators and by the accountancy profession, whose successive issuances have progressively raised the floor of expected disclosure and which culminate in the mandatory IFRS S1 and S2 regime. Coercive pressure of this kind, as classical institutional theory recognises, compels organisations to adopt a practice's visible form well before it compels them to bear its full operational cost, particularly where the enforcement apparatus behind the mandate is itself still being built. Normative pressure operates alongside it, transmitted through ICAG and the major international audit firms, whose professional standards, training and advisory activity diffuse sustainability reporting norms throughout the corporate sector. This too predicts the spread of reporting language and headings well ahead of the assurance infrastructure needed to verify what sits beneath them.

DOI: https://doi.org/10.56879/ijbm.v5i2.105

At the market level the decisive driver is access to capital. Ghanaian firms and financial institutions seeking funding from international investors, development finance institutions and lenders increasingly encounter ESG disclosure as a condition of access, and the growing exclusion of non-compliant entities from global ESG-oriented portfolios sharpens the incentive to report. Reputation and the management of legitimacy, particularly in the extractive and financial sectors, provide a further market-facing impetus. Critically, however, this market driver creates an incentive that is largely satisfied by the act of reporting itself, since lenders and investors observe headline ESG participation rates as a first-pass screen, without necessarily requiring the assurance that would make disclosure verifiable. This asymmetry helps explain why reporting incidence and assurance uptake moved in opposite directions over the same period.

At the firm level the empirical literature identifies a familiar set of determinants: firm size, which proxies for visibility and resource capacity; industry membership, with environmentally sensitive sectors disclosing more; firm age and maturity; profitability and leverage; foreign ownership and cross-listing, which import external disclosure expectations; and governance characteristics such as board composition and the identity of the external auditor (Hahn and Kühnen, 2013; Welbeck et al., 2017). Stakeholder pressure operates as a further, empirically confirmed determinant for Ghanaian firms generally (Alessa et al., 2024), conditioned for SMEs specifically on perceived benefit and sustainability knowledge (Appiah-Kubi, 2024) — a finding that itself implies disclosure quality among Ghana's large SME population will lag that of large, internationally exposed firms even as formal requirements nominally extend downward. Mimetic dynamics compound these effects, as firms emulate the practices of visible domestic and regional peers under regulatory and competitive uncertainty, a mechanism that again spreads the form of disclosure more readily than its assured substance.

7.2 Barriers and their Incidence on Substantive Compliance

Against these drivers stand barriers that bind disproportionately on the costliest and most credibility-conferring elements of disclosure rather than on participation as such.

The most fundamental is a capacity and skills deficit. The IFRS Sustainability Disclosure Standards demand competencies in greenhouse-gas accounting, climate scenario analysis, materiality assessment and the integration of sustainability and financial information that are scarce among both preparers and the assurance profession in Ghana, and building them at scale will require sustained investment in training and education. This deficit is most acute precisely in assurance, the component declining fastest, since competent third-party assurance requires a deeper and more specialised skill set than narrative self-reporting.

A second barrier concerns data and systems. Credible sustainability disclosure rests on reliable, traceable data on emissions, energy, water, waste and social metrics, much of which originates outside conventional financial systems and is not currently captured with the rigour expected of audited information. Many firms lack the data-governance arrangements and information systems

DOI: https://doi.org/10.56879/ijbm.v5i2.105

needed to produce assurance-ready disclosures, and the absence of such foundations risks reducing reporting to description rather than decision-useful measurement — again a barrier that obstructs assurance and quantitative target-setting specifically, while leaving narrative, headline-level reporting comparatively unconstrained.

Third, the cost and proportionality of compliance weigh heavily, especially for smaller entities in an economy in which informal and micro, small and medium-sized enterprises predominate, and especially for the artisanal and small-scale mining segment that lies outside the current architecture altogether. Without carefully calibrated, proportionate requirements, the burden of standardised disclosure could fall disproportionately on firms least able to bear it while leaving the large informal sector outside the reporting net.

Fourth, the fragmentation and overlap of multiple frameworks — the materiality mismatch between the Exchange and ICAG, and the sequencing conflict between the central bank and ICAG — threaten, if not actively harmonised, to impose duplicative and inconsistent demands on reporting entities. This fragmentation plausibly contributes directly to the wait-and-see dynamic advanced above as an alternative explanation for the 2023 to 2024 decline: firms facing unresolved cross-regulator conflicts have a rational incentive to defer costly, framework-specific investment in assurance until the architecture stabilises. Notably, the two candidate explanations for the decline — strategic decoupling and rational deferral — are not mutually exclusive, and both point to the same policy remedy, namely early resolution of the architectural conflicts that make deferral rational.

Finally, questions of enforcement and credibility remain open and are central to the argument rather than a peripheral caveat. Enforcement capacity across the regulatory bodies is still developing, and the historical reliance on voluntary, narrative disclosure has left the system exposed to exactly the risk the institutional-decoupling and counter-accounting literatures describe: organisations adopting the formal trappings of sustainability reporting while substantive practice and assurance lag behind, a pattern documented directly, through systematic counter-accounting against independent news evidence, in extractive-sector sustainability reports internationally (Boiral, 2013) and consistent with what the Ghanaian evidence now suggests is occurring domestically. The assurance market that would lend credibility to sustainability information is nascent, and the tension between the investor-focused, financial-materiality orientation of the ISSB standards and the broader, impact-oriented, double-materiality perspective associated with the GRI will need to be navigated as Ghana defines the scope of its regime.

8. Implications and a Research Agenda

The transition now under way carries distinct implications for each set of actors in Ghana's reporting ecosystem. Each recommendation below is tied to a specific finding established earlier rather than offered as generic good practice.

DOI: https://doi.org/10.56879/ijbm.v5i2.105

8.1 For Regulators and Policymakers

The priority is coherence and proportionality, and the case for this is not a general management-theory preference but a direct response to the three concrete overlaps identified in Section 5. The requirements of the Exchange, the central bank, the securities regulator and the accountancy profession should be actively harmonised to avoid duplication and contradiction, with a published reconciliation timetable — not yet available as of this review — specifying how GRI-based and IFRS-based requirements will coexist for dual-reporting listed firms. Implementation should be phased and proportionate, with simplified pathways for smaller entities and, given the evidence that SME disclosure quality is conditioned on perceived benefit and sustainability knowledge (Appiah-Kubi, 2024), accompanied by targeted capacity-building rather than disclosure mandates alone.

Investment in enforcement and in the domestic assurance market should accompany the introduction of mandatory standards, treating the assurance decline documented in Table 3 as an early-warning indicator rather than a transitional anomaly to be assumed away. Completion of the green finance taxonomy and the provision of clear incentives for credible reporting would reinforce the regime. Most directly, and distinctively for the extractive sector, regulators concerned with the environmental objectives that motivate this entire agenda should recognise that even full success in the formal-sector transition leaves the ASM sector's environmental footprint largely outside sustainability accounting, and should consider whether instruments better suited to an informal, dispersed sector — community-level environmental monitoring, transparency mechanisms modelled on the Extractive Industries Transparency Initiative, or licensing-linked disclosure — are more appropriate than extending formal-entity reporting standards downward.

8.2 For Firms

The imperative is to begin early and to treat sustainability reporting not as a compliance afterthought but as an extension of core financial reporting. This entails establishing cross-functional data-governance arrangements that bring together finance, risk, operations and sustainability functions; investing in the systems needed to generate assurance-ready data; and integrating sustainability considerations into strategy, governance and decision-making (Nassè, 2025; Nassè et al., 2025). Given the evidence that environmental disclosure is positively associated with return on equity and net profit margin among Ghanaian firms (Saeed et al., 2025a), firms have a documented business case, not merely a compliance rationale, for closing the assurance gap rather than allowing it to widen. Firms that build these capabilities ahead of the mandatory deadlines stand to secure advantages in access to finance and reputation, while late movers face the prospect of a costly compliance scramble compounded, for regulated financial institutions, by the central bank's earlier 2026 deadline.

8.3 For the Accountancy Profession

DOI: https://doi.org/10.56879/ijbm.v5i2.105

For the accountancy profession, adoption of the ISSB standards is both an opportunity and an obligation. ICAG and the audit firms will need to lead in building preparer and assurer competence through training, certification and the incorporation of sustainability reporting into professional and university curricula, so that the standards are supported by a credible base of expertise rather than imposed on a profession unready to apply them — precisely the capacity gap ICAG's own roadmap acknowledges. Given that this review finds assurance, rather than narrative disclosure, to be both the most credibility-conferring and the most institutionally fragile component of Ghana's reporting system, building domestic assurance capacity should be treated as the single highest-priority investment for the profession ahead of 2027.

8.4 For Researchers

The new regime opens a rich and timely agenda that follows directly from the limitations acknowledged in Section 4.4. Three priorities stand out.

First, and most directly motivated by the paper's central claim, longitudinal firm-level panel research is needed to test the decoupling hypothesis against the more benign deferral explanation. The question is whether the same firms that reduced assurance and standards alignment between 2023 and 2024 resume or accelerate substantive compliance once ICAG's requirements are finalised, or whether the gap between participation and substance persists or widens through the 2027 deadline. A design covering all listed firms across the 2024 to 2028 window, with disclosure depth and assurance status as outcome variables and the mandatory deadline as the identifying event, would allow the two explanations to be distinguished directly.

Second, research is needed on the experience of small and informal enterprises, and specifically on the artisanal and small-scale mining sector, that lie at the margins of or entirely outside the formal reporting system identified here as a structural blind spot in the current architecture.

Third, the value relevance and decision usefulness of Ghanaian sustainability disclosure for investors and lenders — as distinct from its association with reported financial performance, already documented — remains largely untested, and is a natural complement to the assurance-quality questions raised throughout. Ghana, as an early African adopter of the ISSB baseline experiencing this specific pattern, offers a particularly instructive and time-limited setting in which to conduct such work before the 2027 deadline resolves, one way or another, the questions this review has raised.

9. Conclusion

Sustainability accounting in Ghana stands at an inflection point, but this review's central contribution is to show that the inflection is more uncertain, and the underlying dynamics more analytically interesting, than a narrative of architecture preceding practice would suggest. Within a short span the country has assembled a comparatively advanced architecture of sustainability and ESG reporting — spanning the banking system, the capital market, the insurance sector and the

DOI: https://doi.org/10.56879/ijbm.v5i2.105

accountancy profession — and has committed, through adoption of the IFRS Sustainability Disclosure Standards, to a decisive move from voluntary, discretionary practice toward mandatory, standardised, investor-focused disclosure. Viewed through the integrated lenses of legitimacy, stakeholder, institutional and signalling theory, this trajectory reflects the interplay of regulatory coercion, professional normalisation, mimetic adaptation and the imperatives of capital access that are reshaping corporate reporting worldwide.

Yet the evidence reviewed here — most importantly the finding that headline participation held steady between 2023 and 2024 while standards alignment fell and assurance uptake halved — suggests that architecture and substance are not simply converging on a lag, as a straightforward coercive-isomorphism account would predict, but may be diverging in a manner more consistent with institutional decoupling: the formal, symbolic structure of reporting expanding even as its costliest and most verifiable components retreat. Whether this pattern reflects strategic decoupling or a more benign pause ahead of finalised mandatory requirements is the single most important empirical question this review leaves open, and the one the proposed panel research is designed to resolve. Compounding that uncertainty, the architecture itself remains internally unresolved on three dimensions: materiality philosophy, regulatory sequencing, and the structural exclusion of the artisanal and small-scale mining sector responsible for a large and growing share of the environmental harm that originally motivated Ghana's sustainability reporting agenda.

Whether Ghana realises the promise of its new framework will depend on the coordinated efforts of regulators, firms, the accountancy profession and the research community to close these gaps, with priority given, on the evidence presented here, to assurance capacity and cross-regulator coherence over the further expansion of disclosure participation, which this review suggests is no longer the binding constraint. If those efforts succeed, sustainability accounting may serve not only to enhance the competitiveness and transparency of Ghanaian enterprise but also to advance the environmental and developmental objectives that make the subject so consequential for a resource-dependent economy.

Declarations

Funding. This research received no specific grant from any funding agency in the public, commercial or not-for-profit sectors.

Conflicts of interest. The authors declare that they have no known competing financial interests or personal relationships that could have appeared to influence the work reported in this paper.

Data availability. This study is a review and generates no primary dataset. The full list of records identified, screened and retained under the protocol described in Section 4 is available from the corresponding author on reasonable request. All regulatory instruments analysed are publicly available from the issuing bodies.

DOI: https://doi.org/10.56879/ijbm.v5i2.105

Author contributions. A. Salakpi: conceptualisation, methodology, formal analysis, writing – original draft. T. B. Nassè: conceptualisation, supervision, validation, writing – review and editing. N. L. Carbonell: investigation, validation, writing – review and editing. All authors read and approved the final manuscript.

Ethics approval. Not applicable. The study involved no human participants or animal subjects.

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