**KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY**

**Research proposal**

**ENVIRONMENTAL AND SOCIAL SUSTAINABILITY ACCOUNTING PRACTICES IN GHANA; CORPORATE GOVERNANCE PERSPECTIVE.**

By

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# **Background of the Study**

The fact that corporate governance in developing economies with huge sustainability issues is absolutely a critical component, thus Environmental and social sustainability accounting (ESSA) has come into being (Juusola and Srouji 2022). It is argued for corporate accountability in the reporting of sustainability from the environmental degradation and social inequality exacerbated by raging industrialization and urbanization in Ghana. However, whilst the Ghana Companies Act (Act 992) as amended and the Securities and Exchange Commission (SEC) Corporate Governance Code provide a regulatory muscle to encourage sustainability accounting practices, they remain largely voluntary and inconsistent as observed by AMPEDU et al 2024. In this regard, this research intends to investigate how corporate governance affects ESSA practices among Ghanaian firms, while critically assessing the efficiency of governance mechanisms in guiding sustainability reporting.

The way corporate governance impacts the determination of the integration of environmental or social concerns on the financial reporting structures of an organization is a role that corporate governance plays. Ghanaian corporate landscape is noted to be concentrated in terms of ownership structures, weak enforcement of the sustainability regulations, and increases in demand for corporate transparency (Bayong et al., 2024). According to the existing literature, existing board composition, influence and regulatory compliance play a significant role in sustainability accounting practice (Moses et al., 2020). Nevertheless, the levels of commitment of Ghanaian firms to sustainability disclosure are not uniform as they give more weight to financial performance than long term sustainability goals. A concern is whether governance structures of Ghana are sufficiently able to enforce compatibility between sustainability integration or it constitutes a symbolic compliance exercise.

Although the world is pushing for sustainability, this is not the case in Ghana, as there exists a deficit of research and research base on the correlation between ESSA and corporate governance. Previous studies on sustainability reporting in Ghana have been largely on the implications on financial performance rather than accountability that emanates from governance issues (Hossain et al., 2024). Additionally, the fact that sustainability reporting in Ghana is voluntary makes a firm select disclosure that leads to greenwashing and inconsistent reporting standards (Matakanye & Poll, 2021). As such, there is a need for a systematic investigation of how corporate governance mechanisms impact ESSA practices adoption, quality and consistency within Ghanaian firms.

The study applies a mixed method approach that incorporates both quantitative and qualitative approaches to get a full understanding of governance structures and sustainability accounting in Ghana. The research will assist in policy reform and corporate governance improvement in Ghana based on the analysis of corporate disclosures, regulatory policies, and governance mechanisms. Beyond the specifics of this particular study, this study is particularly relevant as Ghana’s sustainability reporting landscape continues to evolve to, among other things, align with international sustainability reporting benchmarks, the International Sustainability Reporting Tool (GRI) and Sustainability Accounting Standards Board (SASB) framework requirements. The findings of this research will provide practical knowledge for policy makers, regulators and corporate establishments to build a strong sustainability governance framework and corporate accountability in Ghana.

## **Statement of the Problem**

Ghana has inconsistent adoption of environmental and social sustainability accounting (ESSA), yet there are significant variations of firms. The practice of ESSA in Ghana has not been well understood with the role played by corporate governance in influencing such practices. It is well known that board composition, ownership structure, opportunity and constraint, stakeholder influence, regulation will affect sustainability accounting but empirical evidence on their efficacy is limited. Moreover, lack of a common reporting intervals emphasizes on the inconsistency of disclosure practices in Ghana. The purpose of this study is to bridge these gaps by reviewing the effect of corporate governance factors on ESSA practices in Ghanaian companies and implications for the regulatory policy and corporate accountability.

# **Research Objectives**

The main objective of this study is to examine the relationship between corporate governance structures and environmental and social sustainability accounting (ESSA) practices in Ghana.

**Specific Objectives:**

1. To determine the level of implementation of sustainability accounting practices in Ghanaian firms.
2. To ascertain the corporate governance structures that influence the adoption and effectiveness of sustainability accounting practices.
3. To evaluate the moderating role of regulatory compliance in the relationship between corporate governance and sustainability accounting practices.
4. To assess stakeholder influence on the extent of sustainability disclosures in Ghanaian firms.

## **Research Questions**

1. How do corporate governance mechanisms influence environmental and social sustainability accounting practices among firms in Ghana?

# **Relevance of the Study**

The importance of this study is in the fact that it offers empirical knowledge on the impact of the corporate governance on sustainability accounting in Ghana. Given this, the findings will help inform policymakers in building better regulatory frameworks as well as improve the transparency in firms’ sustainability reporting It also contributes to academic literature through a contextualization of sustainability accounting away from the Ghanaian governance landscape.

# **Scope of the Study**

This study looks into the corporate governance factors which influence ESSA practices in Ghanaian firms, such as board composition, ownership structure, stakeholder influence and regulatory compliance. I will research publicly listed and large private firms across all key industries with a mixed method approach to collect primary data from executives, financial officers and governance regulators.

## **Brief Methodology**

The research methodology is intended to critically evaluate the effect of corporate governance on environmental social sustainability accounting (ESSA) in the Ghanaian firms. In view of the complexity of sustainability accounting practices and governance structure, a mixed methods approach is taken to achieve quantitative generalizability as well as qualitative depth (Amadi, 2021).

This study applies to the explanatory sequential mixed method design using both quantitative and qualitative methods to establish statistical relationships, and to explain the underlying governance dynamics. This approach is justified by the fact that notwithstanding the presence of quantitative data, motivations and challenges fuelling the implementation of sustainability accounting practices would not be fully covered by them (Johansson & Winge, 2023). An approach of cross-sectional research of corporate governance mechanisms and sustainability disclosures at a particular time, reflecting the current trend and the challenges hindering the firms in Ghana.

Survey questionnaires and semi structured interviews are integrated and used to collect primary data. The survey part of the study contains structured questionnaires about governance aspects, such as the level of board independence and ownership structure, as well as sustainability accounting practice, such as the level of disclosure and regulatory compliance. I discuss, based on interviews, decision making dynamics, regulatory challenges and motivations for sustainability reporting in Ghana. This dual method approach provides triangulation whereby the findings are cross verified by quantitative patterns with qualitative explanations (Amadi, 2021).

The quantitative analysis includes descriptive statistics of governance attributes and sustainability accounting practice. To test hypotheses on governance sustainability relationship, multiple regression analysis is used to control for industry effects. Further, there is moderation analysis to determine the influence of regulatory enforcement on governance constrained sustainability accounting.

The governance motivations, the disclosure barriers and the regulatory influences are identified using a thematic analysis in order to follow qualitative analysis. Alam (2021) codes and analyzes transcripts systematically using NVivo software. The study integrates these analytical techniques away from the surface level correlations to push further to understand the mechanisms of how sustainability accounting is occurring in Ghana.

## **Expected Findings**

This study is expected to demonstrate a strong relationship between corporate governance structures and environmental and social sustainability accounting (ESSA) practices in Ghana. For example, specifically, it is assumed that stronger governance mechanisms, including independent boards and greater institutional ownership, will be linked to higher sustainability disclosure. However, this relationship will be influenced by regulatory enforcement especially because Ghana’s compliance landscape is evolving (Appiah Konadu, 2022). Furthermore, the qualitative findings might point out the governance barriers hindering sustainability reporting in terms of lack of expertise or conflicting interests of the stakeholders.

## **Organization of the Study**

The research was organized into five main chapters. Chapter one will be on introduction which will include the background of the study, statement of problem, objectives of the study, research questions, significance of the study, and scope of the study.

Chapter two will look at the literature review of the study. It deals will with core issues that are connected with financial literacy among individuals in Ghana and it will review proceedings works that have been tackled by previous researchers analytically and empirically.

Chapter three will focus on the methods that will be used in the study to accomplish the stated objectives of the researcher. It will basically cover the research design, population of study, sample size and sample of techniques, research procedures, data collection instruments and data analysis methods.

Chapter four will deal with data presentation and analysis of data collected from primary source. Chapter five will be the final chapter that will concentrate on the key summary of findings, conclusion and recommendations for future research.

## **Budget for the Research**

The estimated budget for the research is expected to be Four Thousand, Seven Hundred and Four Ghana Cedis (GH¢ 4,704) as shown in Table 1.

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| --- | --- | --- | --- | --- |
| **Table 1: Expected budget for the research** | | | | |
| **No.** | **Budget items** | **Unit Cost** | **Multiplying Factors** | **Total Cost** |
|  |  | GHȻ |  | GHȻ |
| 1 | Research cost (published text books, newspapers, journals, articles, magazines and the internet) |  |  | 1000 |
| 2 | Printing and photocopying of questionnaires & interview schedule | 0.30 | GHȻ0.30 x 700 papers (min.) | 210 |
| 3 | Printing of drafts & final thesis | 0.30 | GHȻ0.30 x 120 papers (min.) x 4 copies | 144 |
| 4 | Thesis presentation (binding) /Defense |  |  | 1000 |
| 5 | Transportation |  |  | 1700 |
| 6 | Stationery (pens, pencil, erasers, flip charts, etc) |  |  | 50 |
| 7 | Miscellaneous |  |  | 600 |
|  | **TOTAL** |  |  | **4704** |

## **Research Plan**

The expected research plan for the study is presented in Table 2 below.

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| --- | --- |
| **Table 2:** **Research Plan** | |
| **Tasks** | **Date** |
| Research proposal | 15th March, 2025 |
| Chapter one – Introduction | 5th April, 2025 |
| Chapter two -Literature Review | 5th May, 2025 |
| Chapter three - Methodology | 7th June, 2025 |
| Questionnaires development | 15th June, 2025 |
| Pilot test and revision of questionnaire | 20th June, 2025 |
| Administering of Questionnaires | 25th June, 2025 |
| Collection, sorting, coding & generation of reports | 1st July, 2025 |
| Chapter four - Data presentation, analysis and discussions | 30th August, 2025 |
| Chapter five - Summary of findings, conclusion & recommendation | 5th September, 2025 |
| Appendixes | 6th September, 2025 |
| Thesis submission | 15th September, 2025 |

**Source: Author’s construct (2025)**

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