BRICS AFRICA CONSULTING LIMITED

Research and Development Unit

The Strategic Role of Annual Reports in Enhancing Organisational Performance A Comparative Review of Global, African, and Ghanaian Evidence (2015–2025)

Prepared by:
Richard Oti (MPhil, B.A, Cert)
Head of Research and Development
BRICS Africa Consulting Ltd

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1.0 Executive Summary

This study examines the strategic importance of annual reports in enhancing organisational performance, focusing on the global, African, and Ghanaian contexts. The research uses a desk-based review of ten empirical studies published between 2015 and 2025, each employing quantitative methods to investigate the relationship between annual report characteristics such as readability, tone, ESG disclosures, and integrated reporting, and performance indicators like Return on Assets (ROA), Return on Equity (ROE), and Tobin's Q. Globally, annual reports have evolved into critical communication tools that influence investor confidence, reduce information asymmetry, and promote corporate transparency. Studies from countries such as India, Vietnam, and Oman demonstrate that firms with clear, readable, and integrated reports often experience better financial outcomes. These findings affirm the strategic role of annual reports as more than compliance documents; they serve as instruments that enhance performance.In Africa, evidence is mixed. While ESG disclosures have shown a positive influence on profitability in countries like Egypt and Nigeria, governance disclosures have sometimes had a negative impact. South African studies suggest that firms often use integrated reporting more to meet legitimacy requirements than to drive performance. This implies that the strategic value of annual reports in Africa is still shaped by stakeholder expectations, regulatory quality, and sector-specific conditions.Ghana's contribution is limited but noteworthy. Empirical studies reveal that environmental reporting in manufacturing sectors improves profitability, and there is also evidence of reverse causality. This means that firms with strong performance tend to produce more transparent reports. This insight expands the global discourse by suggesting that high-performing firms may also drive better reporting practices.The review highlights several gaps in the current literature. These include limited sectoral diversity, particularly the absence of financial and service sectors, and minimal focus on integrated reporting and narrative tone analysis within African and Ghanaian contexts. Despite these gaps, Ghanaian research has introduced new analytical perspectives and reinforced the relevance of strategic reporting in emerging markets.In conclusion, annual reports serve as strategic tools that can improve organisational outcomes, foster investor trust, and enhance accountability. However, realising their full potential requires greater emphasis on sector-specific research, integrated reporting frameworks, and stronger communication strategies, particularly in African and Ghanaian settings. The study calls for improved policy frameworks, institutional support, and deeper academic inquiry to bridge these gaps and leverage annual reports as drivers of organisational development and performance.

Keywords: Readability,ESG Disclosure,Firm Performance,Integrated Reporting, Annual Reports

1.1 Introduction

An annual report is a formal publication released by organisations to provide stakeholders with a detailed overview of the company's financial position, operational performance, strategic goals, and governance practices over the course of a fiscal year. These reports usually include audited financial statements, a narrative management discussion, sustainability disclosures, and summaries of board activities and governance (International Accounting Standards Board [IASB], 2018). Beyond statutory compliance, annual reports are now widely seen as vital communication tools that foster transparency, stakeholder engagement, and corporate legitimacy (Beattie, 2014).

The concept of annual reporting began in early twentieth-century Europe and North America as part of the growing need for businesses to disclose their financial status to shareholders and regulators. The first recorded legal requirement for public company disclosure was introduced in the United States through the Securities Act of 1933 and the Securities Exchange Act of 1934. These laws laid the foundation for modern financial reporting by mandating periodic and standardised reports to be filed with regulatory authorities (La Porta et al., 1998). Over the decades, reforms and global convergence of accounting standards such as the adoption of International Financial Reporting Standards (IFRS) have expanded the structure and purpose of annual reports. Today, these documents include financial and non-financial performance metrics and are often used by firms to tell a broader story about their value creation and sustainability goals (Eccles & Krzus, 2010).

In Africa, the push for improved reporting practices gained momentum with the introduction of the King Reports on Corporate Governance, especially the King III Report in South Africa in 2009. The Johannesburg Stock Exchange (JSE) made integrated reporting mandatory for listed firms beginning in 2010, which spurred wider uptake of comprehensive disclosure across the continent (Solomon & Maroun, 2012). Integrated reporting encourages companies to present a unified account of financial, environmental, and social performance. This approach has influenced several African countries, where businesses are increasingly encouraged to provide stakeholder-oriented disclosures that go beyond financial data alone. Despite growing awareness, reporting practices in many African countries still face challenges. There is a general lack of standardisation in the presentation of non-financial information, limited institutional capacity to audit sustainability disclosures, and a low level of stakeholder engagement in report development (World Bank, 2020). Research conducted by the African Corporate Governance Network (2021) highlighted that while regulatory frameworks have improved, many companies fail to produce annual reports on time, and few publish fully integrated disclosures. Additionally, accessibility and readability remain weak, especially among small and medium enterprises.

In Ghana, although the Securities and Exchange Commission (SEC) and the Institute of Chartered Accountants Ghana (ICAG) have issued guidelines for financial reporting, enforcement remains inconsistent. A recent World Bank report (2023) noted that timeliness and readability of annual reports in Ghanaian firms are still below international best practice. In the same light, the Ghana Stock Exchange has recorded persistent delays in annual report submissions by listed firms, with some companies failing to meet reporting deadlines year after year (GSE Annual Report, 2022). These issues limit the strategic usefulness of annual reports and reduce their potential to inform investor decisions, drive accountability, or influence performance outcomes. This paper responds to these gaps by presenting a deeper investigation into the strategic role of annual reports in enhancing organisational performance. It draws on existing global, African, and Ghanaian literature to explore current practices, highlight performance linkages, and propose recommendations for strengthening annual reporting culture and systems in Ghana and across Africa.

2.0 Methodology

This section outlines the approach used to conduct the study on the relationship between annual reports and organisational performance. The research was based on a structured desk review of existing empirical literature, using a quantitative lens. The goal was to analyse how listed firms across global, African, and Ghanaian markets have used annual reporting practices to drive performance.

2.1 Design

The study followed a desk-based quantitative design. This means the team did not collect new or primary data but relied on analysing existing, credible research studies. These studies were selected based on strict criteria and all used quantitative methods such as regression analysis, panel data models, and performance indicators like Return on Assets (ROA), Return on Equity (ROE), and Tobin's Q. This design enabled the research team to systematically compare findings across regions and timeframes, with a focus on identifying common patterns and gaps.

2.2 Search Strategy

To identify relevant studies for this desk-based review, the research team conducted a systematic literature search using reputable academic databases including Scopus, ScienceDirect, Emerald Insight, SpringerLink, and Wiley Online Library. The search focused on peer-reviewed journal articles published between 2015 and 2025, with a particular emphasis on studies that examined the relationship between annual reporting practices and organisational performance. A Boolean search technique was employed to enhance the accuracy and breadth of the search results. The following Boolean expression was applied

Boolean Search Keywords
"Annual Reports" AND "Firm Performance" OR "Financial Disclosure" AND "Company Performance" OR "Readability of Annual Reports" AND "Organisational Performance" OR "ESG Reporting" AND "Africa"

To ensure quality and relevance, filters were applied to retrieve only full-text, English-language, peer-reviewed articles that reported quantitative empirical findings. This strategy enabled the team to gather focused and credible evidence for cross-regional comparative analysis.

2.3 Selection Criteria

To ensure both the credibility and relevance of the reviewed literature, the research team established clear inclusion and exclusion criteria. Only peer-reviewed journal articles published between 2015 and 2025 were considered. Preference was given to studies that employed quantitative methods and focused on listed companies, especially in the global context. For Africa and Ghana, emphasis was placed on research emerging from developing markets. Crucially, all selected studies were required to demonstrate a direct link between annual report characteristics and measurable organisational performance outcomes.

Conversely, studies were excluded if they were purely conceptual or theoretical, relied solely on qualitative case study approaches, were sourced from non-peer-reviewed outlets or grey literature, or failed to provide any form of performance measurement related to reporting practices.

2.4 Data Analysis and Interpretation

The research team designed a data summary table to extract key information from each selected study. Each entry captured the authors, country, sample size, type of firm, focus of the report , performance metrics used, and overall findings. The data was then grouped into three main regions (i.e) Global, Africa, and Ghana. The findings were presented using comparative charts to show the strength and frequency of relationships found between annual reporting practices and performance. These visual tools were used to identify trends, regional differences, and policy implications. Interpretations were provided for each chart to ensure that non-technical readers could clearly understand the implications.

2.5 Ethical Considerations

No direct engagement with human participants took place in this research. All information was sourced from existing publications that are already in the public domain. However, the research team maintained full transparency and academic integrity by referencing every source used in the study.

2.6 Limitations

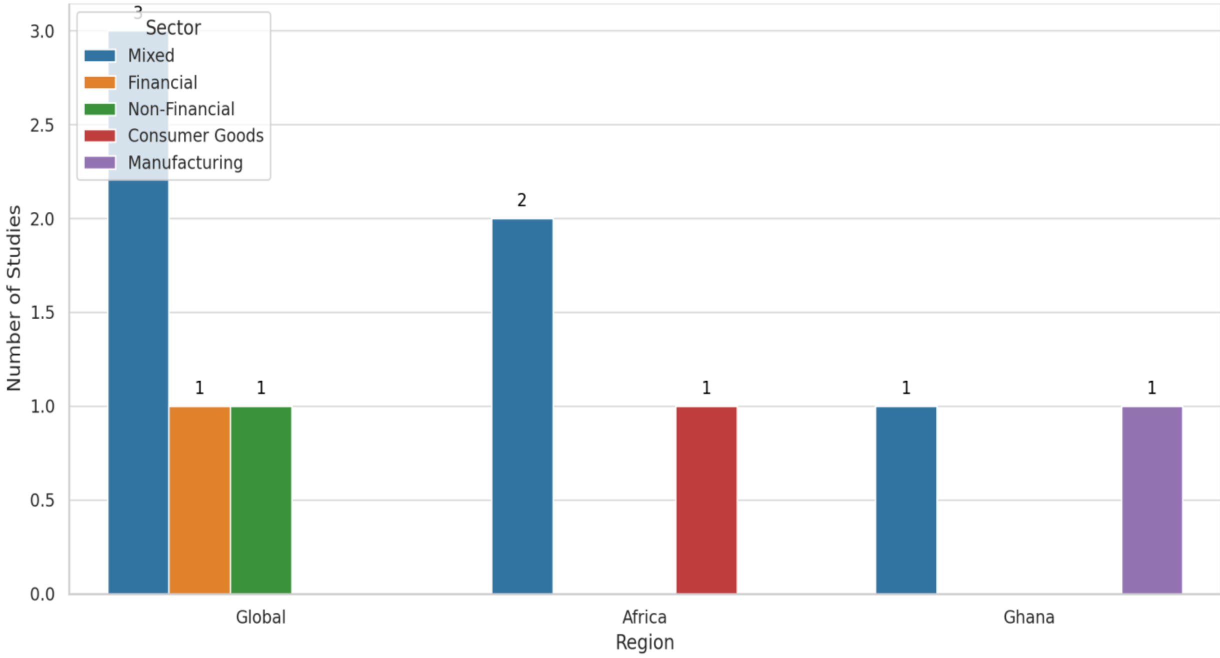
While the desk review approach allowed access to a wide range of data, it was limited by the availability of region-specific studies, especially from Ghana and parts of Africa. In addition, although only peer-reviewed articles were used, variations in quality, sample sizes, and indicators made direct comparisons difficult in some cases. The exclusion of qualitative insights may also limit understanding of the broader organisational context behind reporting practice.

3.0 Results and Discussion

This section presents the findings of a comparative empirical analysis examining the relationship between annual report characteristics and organisational performance across three geographical contexts (i.e) Global, African, and Ghanaian studies. The results are based on a review of 10 quantitative studies conducted between 2015 and

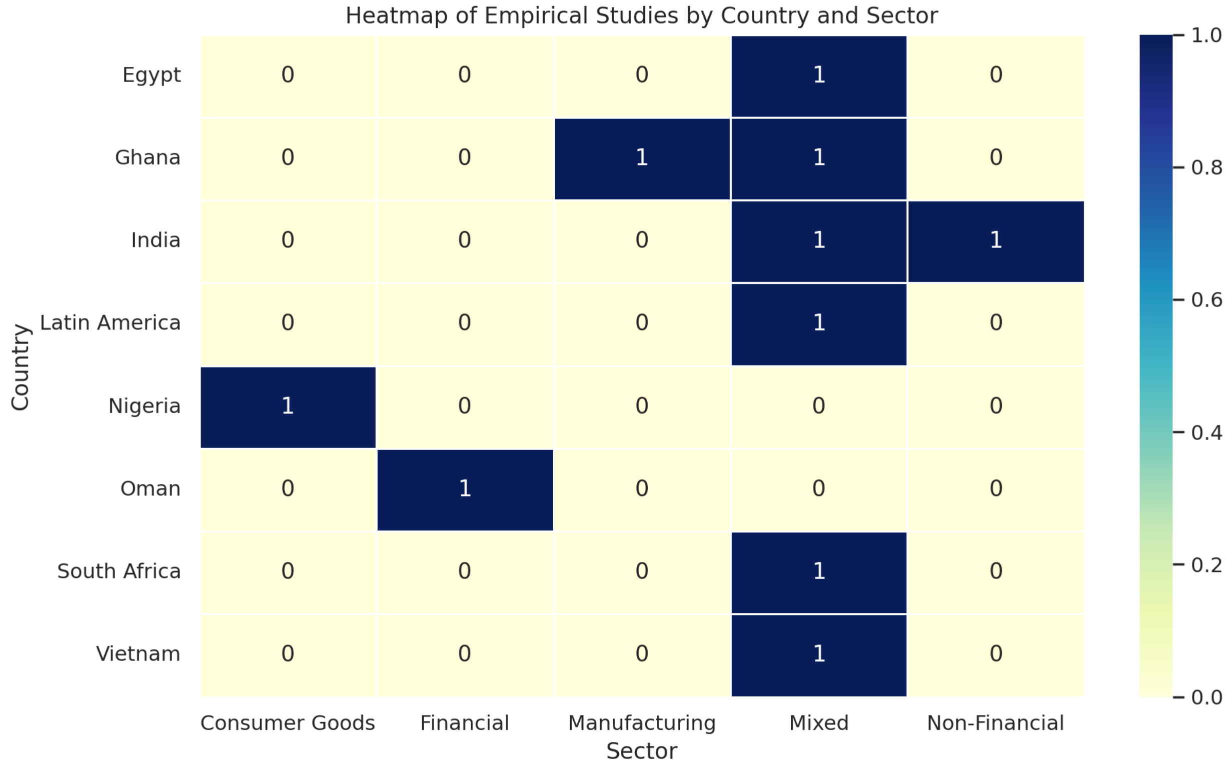
2025. The analysis highlights variations in study scope, sample size, and the strength of association observed between disclosure practices in annual reports and key performance indicators such as Return on Assets (ROA), Tobin's Q, and Return on Equity (ROE).

3.1 Sectorial Distribution by Region



The chart above illustrates the sectoral distribution of the 10 empirical studies reviewed across three key regions i.e Global, Africa, and Ghana. From the visualisation, it is evident that the Global region had the most diverse representation, with a total of 5 studies. Among these, 3 studies (60%) focused on mixed sectors (e.g., Soriya & Rastogi, 2022; Gonzalez et al., 2019), while 1 study each (20%) examined the financial sector (Dalwai et al., 2021) and the non-financial sector (Goswami et al., 2023). Countries such as India, Vietnam, and Oman contributed significantly to this variety. Africa had a total of 3 studies. Out of these, 2 studies (66.7%) examined mixed sectors (Aboud & Diab, 2018; Mokabane & du Toit, 2022), while 1 study (33.3%) focused on the consumer goods sector (Dagunduro et al., 2024). These studies were distributed across Egypt, Nigeria, and South Africa. Ghana's contributions amounted to 2 studies, with 1 study (50%) focusing on the manufacturing sector (Saeed et al., 2025) and 1 study (50%) addressing a mixed sector (Gu & Dodoo, 2021). This reflects Ghana's emerging but valuable research base in annual report practices and sector-specific performance relationships.This demographic analysis highlights a research gap in financial and non-financial sector reporting studies within both Africa and Ghana. With only 1 financial sector study found across all regions and no such studies in the African or Ghanaian contexts, there is a clear opportunity for future research to explore how annual report characteristics influence performance in these underrepresented sectors.

3.2 Empirical Studies by country and Sector



From the heatmap, it is clear that India leads in sectoral diversity, with studies covering both mixed and non-financial sectors. This suggests a growing academic interest in how integrated reporting and readability affect firm performance in India's emerging economy. Vietnam and Oman, although limited in number, each contributed studies in the mixed and financial sectors respectively, showing targeted interest in strategic reporting.

In Africa, Egypt and Nigeria focused mainly on ESG-related studies within mixed and consumer goods sectors, revealing a sector-specific trend where firms are evaluated based on environmental and social disclosures. South Africa also focused on mixed-sector studies, particularly related to integrated reporting, which aligns with its adoption of the King IV governance code. However, the limited diversity in sectors (absence of financial or non-financial sector-specific studies) reveals a significant gap in sectoral representation across most African countries.

For Ghana, the heatmap shows that studies have been conducted in both mixed and manufacturing sectors, but financial and non-financial sectors remain unexplored. This highlights a clear gap in the local literature regarding how annual reporting practices affect bank performance, insurance companies, or service-based industries. The absence of studies in these sectors implies that regulatory bodies, scholars, and policy think tanks in Ghana have yet to fully explore the broader strategic potential of annual reporting.

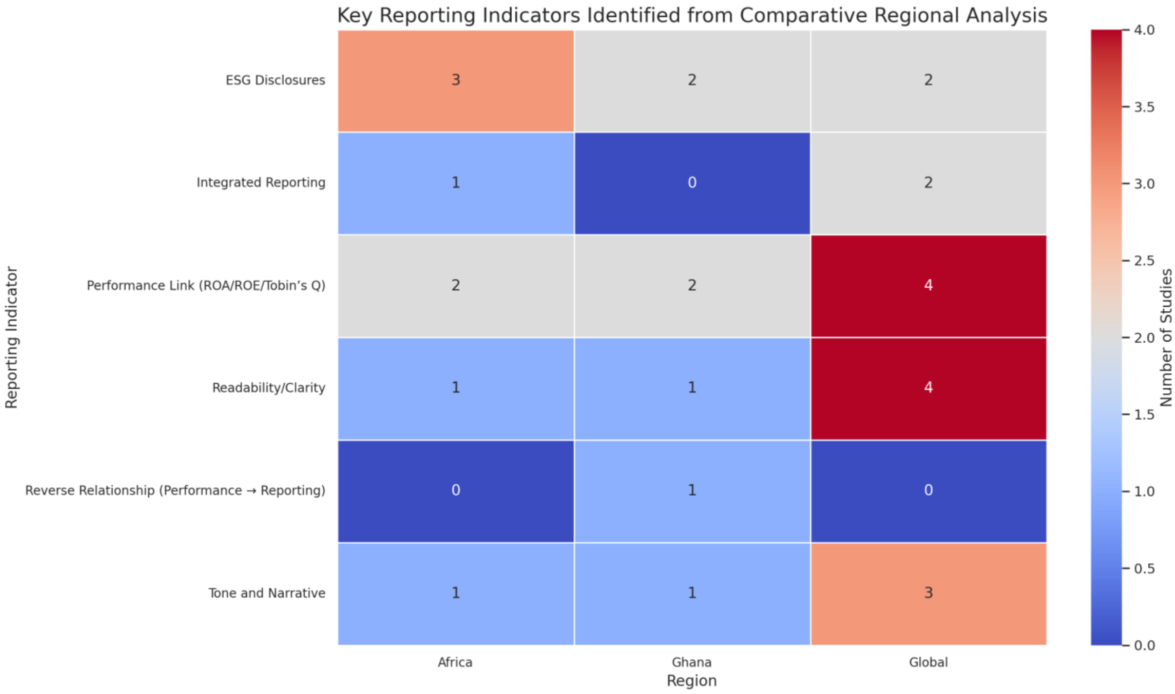
3.3 Comparative Analysis of Empirical Findings by Region

The empirical findings reveal strong regional trends regarding how annual report characteristics influence organisational performance. Globally, studies (e.g., Tran et al., 2021; Dalwai et al., 2021; Soriya & Rastogi, 2022) consistently found a positive relationship between improved report readability, disclosure quality, and firm outcomes such as Return on Assets (ROA) and Tobin's Q. For instance, Tran et al. (2021) in Vietnam demonstrated that a positive tone in annual reports predicted higher performance in the following year, especially under conditions of information asymmetry. Similarly, in Oman, Dalwai et al. (2021) found that financial firms with more readable reports had higher Tobin's Q values, indicating stronger market confidence. In India, Soriya and Rastogi (2022) and Goswami et al. (2023) confirmed that integrated reporting and readability correlate with better operational efficiency and reduced agency costs. Gonzalez et al. (2019), studying Latin American firms, highlighted that both the tone and volume of disclosure impact valuation, showing a broader cross-country relevance of strategic reporting.

In Africa, however, the evidence appears more mixed and sector-specific. Aboud and Diab (2018) found that ESG disclosures in Egypt improved firm value, while Dagunduro et al. (2024) reported that environmental and social disclosures in Nigerian consumer goods firms enhanced profitability. Nonetheless, governance disclosures had a negative impact, indicating context-specific stakeholder expectations. Mokabane and du Toit (2022) in South Africa found that although larger firms produced higher-quality integrated reports, the financial performance implications were not statistically significant, suggesting that firms may be using integrated reports more for legitimacy than for value addition. In Ghana, the trend aligns more with African patterns. Saeed et al. (2025) found that corporate environmental reporting significantly influenced both ROE and profit margins for listed manufacturing firms. Gu and Dodoo (2021), however, examined the reverse relationship, showing that firm performance measured by ROA influenced the simplicity and clarity of annual reports. This reverse causality insight adds a new dimension, implying that success may drive transparent disclosure practices, not just the other way around. Across all regions, readability, tone, and integrated reporting emerge as recurring determinants of performance. However, African and Ghanaian studies lag behind in sectoral diversity and tend to focus heavily on ESG aspects. The dominance of mixed-sector studies in Africa and Ghana, as opposed to the broader range of sector-specific studies globally, reflects a research gap that future investigations should address.

Inferring from the above, while the global literature supports a direct positive link between enhanced reporting and firm success, African studies emphasize context sensitivity, governance limitations, and stakeholder legitimacy concerns. Ghanaian studies reinforce these patterns while highlighting the need for greater consistency, timeliness, and sectoral specificity in annual report research.

3.4 Comparative Dimensions of Annual Reporting



The heatmap provides a comparative visual summary of the main reporting indicators explored across Africa, Ghana, and global context based on the reviewed empirical studies on annual reporting and organisational performance. In the global context, the findings show a high level of interest in measurable performance outcomes linked to reporting practices. Specifically, the indicator labelled "Performance Link," which includes metrics such as Return on Assets (ROA), Return on Equity (ROE), and Tobin's Q, appeared in four studies. Similarly, the indicator "Readability/Clarity" was also featured in four global studies, making these two the most frequently analysed themes within international literature. This pattern suggests that global researchers place strong emphasis on how structured, clear, and informative annual reports directly contribute to firm valuation, investor confidence, and operational efficiency. Additionally, the indicator "Tone and Narrative" was explored in three global studies, pointing to the importance of language use, sentiment, and narrative style in shaping stakeholder perceptions and influencing performance outcomes.

In the African context, the empirical focus appears more tilted toward issues of sustainability and governance. Three studies investigated "Environmental, Social, and Governance (ESG) Disclosures," making it the most common theme among African studies. This trend highlights the growing recognition of sustainability reporting as a critical component of corporate communication and performance management across African economies. However, there was relatively limited exploration of other reporting indicators. For example, only one study each examined "Integrated Reporting," "Readability/Clarity," and "Tone and Narrative." While two studies explored the "Performance Link" theme, this indicator remains underexamined compared to global trends. Notably, the "Reverse Relationship" indicator, which captures the effect of firm performance on reporting quality, was not featured in any African study. This reflects a limited engagement with dynamic or bi-directional models of analysis in the African literature.

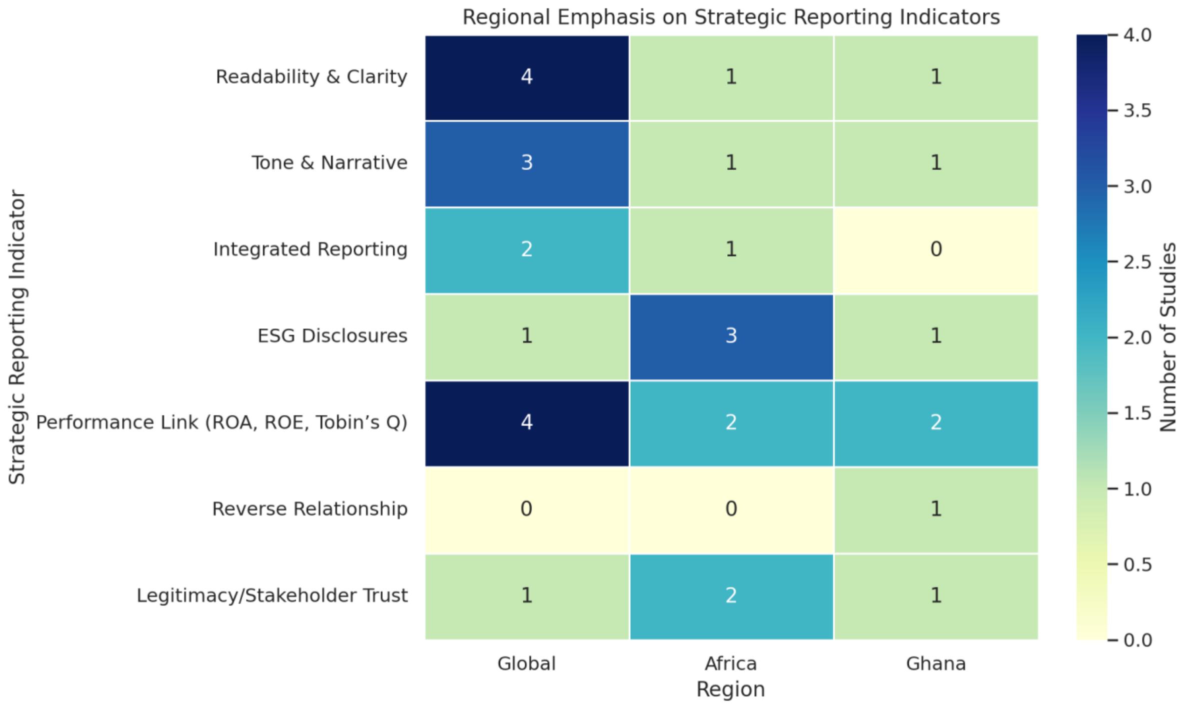
Ghana's research landscape presents an emerging but promising pattern. Although only two to three empirical studies were captured, the Ghanaian context contributed to five out of the six key indicators. These include ESG Disclosures, Performance Link, Readability/Clarity, Tone and Narrative, and importantly, Reverse Relationship. Ghana is the only region where the reverse causality hypothesis has been explicitly studied. The study by Gu and Dodoo (2021) provided details into how successful firms may be more transparent and straightforward in their disclosures, thus establishing a feedback loop between performance and reporting quality. This contribution adds a novel perspective to the broader literature and shows that Ghanaian research, though limited in volume, is contributing meaningfully to the theoretical discourse.

The heatmap also reveals critical research gaps. Integrated Reporting is largely underexplored in Ghana and receives only minimal attention in the African regional studies. The Reverse Relationship indicator, while studied in Ghana, is completely absent in both African and global studies, highlighting a neglected but important dimension of the reporting-performance nexus. Furthermore, despite its clear relevance at the global level, the indicator "Tone and Narrative" has not been widely examined in Africa or Ghana, suggesting a missed opportunity to investigate the qualitative aspects of financial communication in these regions. These gaps indicate the need for more diversified and nuanced research in Africa and Ghana, particularly on topics such as integrated reporting frameworks, bidirectional performance dynamics, and narrative strategies within annual reports. The heatmap offers a clear depiction of how reporting indicators vary by region. While global studies prioritise readability, performance metrics, and tone, African studies are more focused on ESG disclosures and legitimacy concerns. Ghana's studies mirror African priorities but also bring new analytical dimensions to the fore. The variation in focus not only reflects regional academic trends but also provides clear direction for future empirical inquiry.

3.5 The Strategic Role of Annual Reports in Enhancing Organisational Performance

Annual reports have evolved from being mere compliance documents into strategic tools that shape investor perceptions, support corporate transparency, and directly influence organisational performance. Evidence drawn from the global, African, and Ghanaian empirical literature highlights that annual reports play a critical role in value creation through multiple channels such as performance communication, risk signalling, governance accountability, and stakeholder engagement. At the global level, annual reports are increasingly recognised for their contribution to firm performance outcomes, especially when they incorporate high-quality disclosures, strategic clarity, and transparent language. Studies by Tran et al. (2021), Dalwai et al. (2021), and Soriya & Rastogi (2022) provide robust evidence that firms with more readable and positively framed annual reports experience higher returns on assets (ROA), improved operational efficiency, and greater market valuation through Tobin's Q. This suggests that clarity, structure, and narrative tone are not just stylistic features but strategic levers that organisations use to build investor confidence, attract capital, and maintain competitive legitimacy in dynamic markets. Globally, the shift towards integrated reporting which consolidates financial and non-financial disclosures into a single coherent document has also proven to be a performance-enhancing innovation. Integrated reporting enables firms to demonstrate long-term value creation by aligning environmental, social, and governance (ESG) goals with corporate strategy. As shown in India (Soriya & Rastogi, 2022), such integrated disclosures not only improved transparency but also provided investors with forward-looking insights, enhancing trust and financial outcomes. In Africa, although the strategic use of annual reports is still developing, the findings reveal an emerging emphasis on ESG disclosures and legitimacy management. Studies such as Aboud & Diab (2018) and Dagunduro et al. (2024) demonstrate that detailed environmental and social reporting can enhance stakeholder trust and contribute to firm profitability, especially in sectors like consumer goods. However, governance-related disclosures were found to have a negative influence in some cases, suggesting that context-specific stakeholder expectations and regulatory quality significantly shape the performance effects of such disclosures. Mokabane and du Toit (2022) provide another strategic perspective from South Africa, where integrated reporting is mandated. Their findings suggest that while such reports may not always correlate with direct financial performance, they contribute to stakeholder management and organisational legitimacy which are both crucial for long-term sustainability and investor relations. Thus, even when not directly boosting financial metrics, strategic reporting can serve important non-financial performance roles. Ghana presents a unique dimension in understanding the strategic relevance of annual reports. Saeed et al. (2025) revealed that detailed corporate environmental reporting in the manufacturing sector positively influenced net profit margin and return on equity (ROE), indicating that sector-specific reporting practices can have direct financial impacts. Gu and Dodoo (2021) extended this understanding by highlighting a reverse causality: firms with strong performance records tend to produce clearer and more accessible annual reports. This suggests that annual reports can also function as reflections of internal organisational health, used to communicate success and stability to external audiences. Across all regions, the recurring themes of readability, narrative tone, report integration, and performance metrics emerge as key strategic elements embedded in annual reports. Their consistent association with firm-level outcomes illustrates that annual reports are no longer passive disclosures but active instruments of strategic communication. The ability of firms to communicate their financial and strategic story through a coherent and credible report can differentiate them in the eyes of investors, regulators, and other stakeholders. However, the literature also points to clear gaps particularly in Africa and Ghana regarding the diversity of sectors and reporting dimensions studied. The limited exploration of financial and non-financial sector disclosures, integrated reporting frameworks, and tone-based analysis in these regions suggests untapped potential for annual reports to play an even more significant strategic role. As firms in emerging markets mature and compete for investment, the ability to leverage annual reports not just as reporting tools but as strategic assets will be increasingly critical.

3.6 Regional Emphasis on Strategic Reporting Indicators



The chart clearly shows that Global studies have the highest emphasis on strategic indicators such as Readability & Clarity (4 studies), Performance Link (4 studies), and Tone & Narrative (3 studies). This reinforces the global trend of treating annual reports as tools to enhance transparency, investor confidence, and market value. African studies, on the other hand, highlight ESG Disclosures (3 studies) as the most explored area, suggesting a regional focus on sustainability and social responsibility reporting. However, other indicators like Integrated Reporting, Tone, and Readability appear less frequently, indicating a need for broader exploration in these areas. In the Ghanaian context, the review found studies touching on nearly all indicators except Integrated Reporting with Performance Link (2 studies) and Reverse Relationship (1 study) standing out. Notably, Ghana is the only region where Reverse Relationship (where firm success influences reporting quality) is studied, suggesting an emerging dimension in local research. This visual reinforces the conclusion that while global reporting practices are more developed and comprehensive, there are strategic gaps in African and Ghanaian contexts that future research and practice must address to fully harness the value of annual reports

3.7 Discussion

This study set out to examine how annual report characteristics influence organisational performance by analysing ten empirical studies conducted between 2015 and 2025 across global, African, and Ghanaian contexts. The discussion focuses on four key areas drawn from the findings: sectoral coverage, reporting indicators, strategic role of reporting, and regional research gaps.

One of the central findings across the reviewed global studies is the significant association between report clarity and organisational performance. For instance, Tran et al. (2021) in Vietnam and Dalwai et al. (2021) in Oman found that firms with more readable and straightforward annual reports achieved better performance outcomes, including higher return on assets (ROA) and improved market valuation. This aligns with earlier work by Li (2008) and You and Zhang (2009), who asserted that simplified financial language reduces information asymmetry and builds market confidence. Soriya and Rastogi (2022), in the Indian context, also confirmed that firms that adopted integrated reports with enhanced narrative readability experienced improved operational efficiency. These findings affirm Verrecchia's (2001) theoretical proposition that high-quality corporate disclosures serve as strategic assets that influence firm value by improving transparency and reducing investor uncertainty.

On the other hand, evidence from African studies reveals a more context-sensitive relationship between reporting practices and firm performance. Aboud and Diab (2018) and Dagunduro et al. (2024) found that environmental and social disclosures contributed positively to profitability and stakeholder trust in Egypt and Nigeria, respectively. However, governance-related disclosures did not yield the same positive outcome. Mokabane and du Toit (2022), working within the South African context, also reported that integrated reporting practices were often adopted to maintain legitimacy rather than directly enhance financial outcomes. These findings mirror earlier insights by Haji and Anifowose (2016), who observed that in many African economies, firms view annual reports primarily as tools to fulfil stakeholder expectations rather than to drive measurable performance gains. The negative influence of governance disclosures, particularly in Nigeria, reflects a recurring concern raised by Uwuigbe et al. (2015), who suggested that weak regulatory enforcement can limit the usefulness of governance information in influencing organisational performance.

In the case of Ghana, the findings present a blend of global and African characteristics. Saeed et al. (2025) discovered that corporate environmental disclosures had a direct impact on net profit margins and return on equity, especially within the manufacturing sector. This result reinforces earlier conclusions by Agyemang and Ansong (2017), who found that sustainability initiatives in Ghanaian firms are beginning to yield financial returns, particularly in sectors exposed to environmental scrutiny. A unique contribution from the Ghanaian literature is the reverse relationship reported by Gu and Dodoo (2021), which suggests that firms with stronger financial performance are more likely to produce clearer and more accessible annual reports. This finding challenges the typical assumption that better reports always lead to better performance. Instead, it supports the view of Eccles and Krzus (2010), who argued that high-performing firms may also possess stronger internal reporting systems, enabling them to communicate more effectively with external stakeholders. Another notable observation is the limited sectoral diversity within African and Ghanaian studies. While global research spans financial, non-financial, and mixed sectors, African and Ghanaian literature is largely focused on mixed sectors and consumer goods. This aligns with the concerns raised by Maroun and Cerbone (2020), who criticised African accounting research for its narrow industry focus and limited empirical reach. The absence of empirical studies from Ghana's financial, service, and telecommunications sectors despite their strong regulatory reporting requirements represents a major research gap that warrants attention.

In the same light, the use of tone and narrative as analytical constructs has been underexplored in African and Ghanaian studies. Globally, studies by Gonzalez et al. (2019) and Tran et al. (2021) demonstrated that a positive and confident tone in annual reports was associated with higher market valuation and stronger stakeholder engagement. These findings echo earlier work by Davis et al. (2012) and Loughran and McDonald (2016), who used textual analysis to show that narrative sentiment in corporate reports significantly affects investor interpretation. The absence of similar research in African and Ghanaian contexts indicates a missed opportunity to assess how language choices and emotional framing within financial narratives may influence stakeholder perceptions. Integrated reporting, which merges financial and non-financial disclosures into a single document, also remains significantly underexplored in Ghana. While global studies, such as those by Soriya and Rastogi (2022), promote integrated reporting as a vehicle for long-term value creation, its impact in African contexts appears mixed. Mokabane and du Toit (2022) suggest that although South African firms adopt integrated reporting due to regulatory requirements under King IV, this does not always translate into improved performance. This supports the argument by de Villiers, Rinaldi, and Unerman (2014) that the effectiveness of integrated reporting is not guaranteed and depends on a combination of institutional readiness, corporate culture, and user interpretation.

The findings of this study confirm the widely accepted view that annual reports are not merely regulatory tools but are also strategic documents that influence firm success. The global literature clearly demonstrates the performance-enhancing value of readable, integrated, and emotionally resonant reports. However, African and Ghanaian studies reveal that this relationship is shaped by local realities, including stakeholder expectations, institutional weaknesses, and limited regulatory enforcement. The emergence of reverse causality in Ghana introduces a new theoretical dimension that adds depth to traditional disclosure-performance models. Ultimately, the impact of annual reporting on organisational outcomes cannot be viewed in isolation but must be analysed in light of the broader socio-economic and institutional environment in which firms operate.

4.0 Conclusion

The findings confirm that annual reports have evolved into powerful strategic tools that go beyond regulatory compliance. Globally, the studies reviewed reveal that indicators such as Readability and Clarity, Performance Link, and Tone and Narrative are consistently associated with improved organisational outcomes, including Return on Assets (ROA), Tobin's Q, and Return on Equity (ROE). This highlights a matured practice in many developed and emerging economies where annual reports are deliberately crafted to influence investor confidence, reduce information asymmetry, and reinforce corporate legitimacy.In contrast, African studies are more skewed toward Environmental, Social, and Governance (ESG) Disclosures, with a heavy emphasis on sustainability and stakeholder legitimacy. However, limited focus was found on readability, tone, and integrated reporting. Furthermore, sectoral diversity remains a challenge, as most African studies concentrated on mixed sectors or consumer goods, with little attention to financial and service industries. The Ghanaian context, although represented by only two to three studies, presents an interesting contribution. While Ghana aligns with the African trend in focusing on ESG and mixed-sector reporting, it uniquely introduces the concept of reverse relationship, suggesting that organisational performance can also influence the quality and clarity of annual reports. This finding expands the academic conversation around the feedback loop between performance and disclosure.

A heatmap of key reporting indicators reinforced these observations. Performance Link and Readability/Clarity dominated global literature, while ESG disclosures stood out in African studies. Ghana touched on most indicators but still lacked studies on integrated reporting and financial sectors. In sum, the evidence demonstrates that annual reports are strategic communication instruments with the potential to improve firm performance, attract investment, and build transparency. However, significant gaps remain in sectoral coverage and thematic diversity, especially in African and Ghanaian studies. These gaps present a clear opportunity for institutions, researchers, and policymakers to deepen their engagement with strategic reporting as a tool for performance enhancement and organisational development.

5.1 Recommendation

i. The review identified a lack of studies examining how annual report characteristics affect performance in the financial, non-financial, and service sectors, especially in Africa and Ghana. Organisations, think tanks, and academic institutions should commission and support research in these areas to inform more targeted policy and practice.
ii. Integrated reporting remains underexplored in both African and Ghanaian literature. Regulatory bodies such as the Ghana Stock Exchange and accounting associations should develop guidelines and training programmes to encourage firms to adopt integrated reporting, combining financial and non-financial information to reflect long-term value creation.
iii. Given the global evidence linking clarity, tone, and narrative structure to firm performance, Ghanaian and African firms should invest in training corporate communication teams to enhance the language, structure, and sentiment of annual reports. Readability tools and content audits can help ensure that reports are not only compliant but also strategic.
iv. Although ESG disclosures are growing in Africa, they are often disconnected from performance outcomes. Future reporting frameworks and research should explicitly link ESG indicators to measurable business impacts such as profitability, brand reputation, or operational resilience.

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