



**AFRICAN JOURNAL OF ORGANIZATIONAL PERSPECTIVES  
AND ECONOMY  
VOL. 10 NO. 1 JAN 2026**

**GREEN ACCOUNTING, SUSTAINABILITY PRACTICES AND RESOURCE  
MANAGEMENT IN NIGERIA**

**OGUNDEKO SODIQ TEMITAYO**  
Department of Accounting, Lagos State University,  
Ojo, Lagos, Nigeria;  
E-mail: [1Sodiq.ogundeko@lasu.edu.ng](mailto:1Sodiq.ogundeko@lasu.edu.ng),  
+234803-863-3142

**TIJANI JAMIU OLAKUNLE**  
Department of Accounting, Lagos State University,  
Ojo, Lagos, Nigeria;  
E-mail: [2olakunle.tijani@lasu.edu.ng](mailto:2olakunle.tijani@lasu.edu.ng),  
+234812-902-3885

&

**SODIQ, QUDUS OLAWALE**  
Department of Accounting, Lagos State University,  
Ojo, Lagos, Nigeria;  
E-mail: [3olawaleabdulqudus04@gmail.com](mailto:3olawaleabdulqudus04@gmail.com),  
+234814-018-7961

**Article history:**

*Received: 20 Jan 2026; Received  
in revised form:  
23 Jan 2026;  
Accepted: 26 Jan 2026;*

**Keywords:**

*Sustainability Initiative, Green Accounting, Resource  
Management, Environmental  
Performance.*

**Abstract**

*Sustainability initiatives in Nigeria have emerged in response to environmental challenges and the global call for sustainable development. The integration of green accounting into resource management practices is crucial for assessing the environmental impacts of corporate activities, identifying avenues for cost-effective innovations, and improving sustainability reporting. The objective of this investigation is to elucidate how green accounting and sustainability practices facilitate the enhancement of innovation concerning resource management from an accounting standpoint. This research employs an ex-post facto research design of 16 listed firms on the Nigerian exchange group for 11 years periods using the purposive sampling technique. The two formulated hypotheses were tested using the regression analysis. The result shows that green accounting (GA) exerts a positive influence on innovation in resource management (IRM) and that Green accounting effect on sustainability practices is of high statistical significance. The study concludes that green accounting practices have the potential to assist organizations in recognizing and managing environmental costs and benefits, thereby fostering innovation in resource management. It was recommended among others that firms should dedicate efforts towards continuous investment and the generation of innovative ideas in the realm of resource management*

*practices.*

## Introduction

Green accounting, often referred to as environmental accounting, encompasses the incorporation of ecological expenditures into traditional financial accounting systems. It provides an in-depth analysis of the strategies utilized by corporations to manage their natural resources, evaluate their ecological impact, and implement environmentally sustainable methodologies. Nations worldwide extract and utilize natural resources without sufficiently accounting for the resultant implications on the ecosystem (Egiyi, 2020).

Sustainability initiatives in Nigeria have emerged in response to environmental challenges and the global call for sustainable development. The country's rich natural resources have faced significant pressures due to rapid population growth, industrial advancement, and urbanization, leading to environmental degradation and necessitating the adoption of sustainable practices. In 1987, the United Nations Brundtland Commission articulated the concept of sustainability as "meeting the needs of the present without compromising the ability of future generations to meet their own needs." Nigeria faces substantial environmental issues, notably deforestation.

An examination of environmental issues in Nigeria highlights the necessity for comprehensive strategies aimed at effectively addressing these challenges and promoting sustainable development initiatives (Ibimilua & Oluwatoyin, 2024). The integration of green accounting into resource management practices is crucial for assessing the environmental impacts of corporate activities, identifying avenues for cost-effective innovations, and improving sustainability reporting. By prioritizing environmental expenditures, organizations can more adeptly devise strategies to minimize waste, enhance resource efficiency, and decrease their ecological impact.

## Statement of the problem

In Nigeria, the rampant over-exploitation

of natural resources, coupled with deforestation, pollution, and environmental degradation, has significantly impeded economic progress and societal welfare. Despite the country's abundant natural resources, resource management remains inadequate, often prioritizing short-term financial benefits over long-term sustainability. A notable deficiency exists in the form of a lack of widely accepted frameworks for the implementation of green accounting methodologies. Traditional accounting practices frequently concentrate on financial indicators, thereby overlooking social and environmental dimensions. Research has demonstrated that the efficacy of sustainability is evident in the integration of green innovation within enterprises that utilize environmentally sustainable products, which is relevant to the domains of industry, innovation, and infrastructure. It is imperative for firms to partake in sustainable innovation in order to enhance the caliber of their sustainability disclosures (Dwi & Adi, 2021).

## Research objectives

The overarching objective of this investigation is to elucidate how green accounting and sustainability practices facilitate the enhancement of innovation concerning resource management from an accounting standpoint. The study aspires to accomplish this objective, which specifically encompasses the following aims to:

- i. Scrutinize the influence of environmental performance indicators on the progression of innovation in the context of resource management.
- ii. Assess the importance of sustainability reporting in advancing practices related to resource management.

## Research Questions

The research questions delineated herein are constructed in alignment with the overarching research objectives and are intended

to incite scholarly inquiry while establishing an appropriate framework:

- i. What are the ramifications of environmental performance indicators on the progression of innovation within the domain of resource management?
- ii. What are the implications of sustainability reporting in the enhancement of resource management practices?

### Research Hypotheses

The hypotheses posited for this research endeavor are devised to evaluate the interrelation between green accounting and innovation in resource management through the lens of accounting.

#### Null Hypotheses (H<sub>0</sub>)

- i. H<sub>01</sub>: Green accounting exhibits no correlation with the influence of innovation in resource management among firms operating in Nigeria.
- ii. H<sub>02</sub>: Sustainability practices do not significantly affect innovation in the management of resources within enterprises.

### Significance of the Study

This study holds considerable relevance for a diverse array of stakeholders, encompassing researchers, investors, consumers, governmental entities, policymakers, organizations, academic institutions, and society as a whole. It offers evidence-based insights to policymakers concerning the critical importance of green accounting and the adoption of sustainability practices. Furthermore, it underscores the necessity for regulatory frameworks and incentives that promote the integration of environmentally sustainable accounting methodologies. Green accounting serves as a strategic instrument for corporate entities and enterprises to efficiently allocate financial resources aimed at alleviating environmental degradation and preserving ecological balance (Egiyi, 2020).

### Scope of the Study

The ambit of this research is primarily concerned with the investigation of the role of green accounting and sustainability practices as pivotal catalysts for innovation in resource management from an accounting standpoint. This study is predominantly situated within Nigeria, a developing economy grappling with significant environmental and resource management predicaments. The inquiry is confined to the national context, scrutinizing entities across a diverse array of sectors, including manufacturing, oil and gas, agriculture, automotive, and small and medium-sized enterprises (SMEs).

The research focuses on a selection of firms that have been operational in Nigeria for a duration of eleven years, thereby capturing contemporary trends and frameworks pertinent to green accounting and sustainability practices. It takes into account existing research gaps and delves into organizational innovation capacity while also investigating the influence of a firm's creativity as a mediating variable that links green accounting, sustainable practices, and innovation (Parwita et al., 2021).

### Limitation of the Study

Notwithstanding the myriad advantages associated with the implementation of green accounting and sustainability practices in fostering innovation for effective resource management, several challenges persist in this undertaking. A principal obstacle is the dearth of reliable and comprehensive data pertaining to green accounting and sustainability practices within Nigeria, particularly in relation to small and medium-sized enterprises (SMEs). Numerous firms in Nigeria exhibit a notable lack of adequately documented sustainability reports, thereby complicating the assessment of the extent of green accounting integration. Organizations frequently encounter difficulties in procuring accurate and dependable environmental data, particularly concerning non-financial indicators, due to limitations in measurement methodologies, data sources, and

reporting frameworks. This situation may hinder the efficacy of environmental accounting and curtail its capacity to support informed decision-making and performance management (Thanasas, 2024).

## Literature Review

### Green Accounting

The term "green accounting" was introduced in the 1980s by the esteemed economist and scholar, Professor Peter Wood. Green accounting is often synonymous with Environmental Accounting. It is additionally known as integrated accounting or resource accounting (Matthew, 2021, as cited in Adula & Natasha, 2024). This paradigm provides significant insights concerning corporate stewardship of natural resources, assessment of ecological consequences, and the implementation of sustainable methodologies. The prevailing environmental challenges stem from a diverse array of stakeholders, including corporations. In their operational activities, corporations exhibit detrimental effects such as the excessive exploitation of natural resources, deforestation, the generation of pollutants, and various other negative environmental repercussions.

### Sustainability Practices

The contemporary paradigm of sustainability practices is expected to conform to the frameworks established by numerous earlier scholars, which encompass social, environmental, economic, and governance dimensions. In relation to the environmental dimension, a plethora of indicators were thoroughly examined, including the creation of an environmentally-friendly workplace, the monitoring and management of greenhouse gas emissions, the execution of waste management protocols, and the adoption of resource-conserving practices for water and electricity. This literature review clarifies the complex interconnections among environmental challenges, the tenets of sustainable development, and various initiatives aimed at promoting environmental sustainability. The insights gained from this review will

substantially enhance the ongoing inquiry into sustainable practices within the domain of environmental management and their implications for the achievement of long-term sustainability objectives (Ibimilua & Oluwatoyin, 2024).

### Innovation in Resource Management

Innovation represents a pivotal component of corporate sustainability, facilitating the development of novel products, processes, and business models that can adeptly address environmental and social challenges while concurrently enhancing economic performance. The integration of innovation into corporate strategies is essential for achieving sustainable development goals and maintaining a competitive edge within the marketplace.

### Theoretical Review

The escalating global emphasis on environmental sustainability necessitates the incorporation of green accounting and sustainability practices as pivotal strategic mechanisms for promoting accountable resource management. Theoretical constructs such as Stakeholder Theory, Agency Theory, and the Resource-Based View (RBV), among others, establish a foundational basis for comprehending the significance of green accounting in propelling sustainable innovation.

### Stakeholder Theory

Freeman's 1984 stakeholder framework encapsulates both an ethical (normative) and a positive management dimension. The ethical or normative aspect of Stakeholder Theory posits that all stakeholders inherently possess the right to equitable treatment by an organization, regardless of their relative power dynamics. It is the responsibility of managers to govern the organization with the interests of all stakeholders in consideration, irrespective of whether such managerial practices yield enhanced financial performance (Abosedo et al., 2024).

Stakeholder Theory accentuates the necessity for organizations to reconcile financial

performance with environmental accountability; the theory highlights the paramount importance of integrating environmental considerations into an organization's decision-making frameworks. A comprehensive review of the literature revealed a sufficient representation of diverse stakeholder groups, thereby eliciting a multitude of perspectives concerning sustainability. Between the years 2010 and 2023, a notable evolution has transpired regarding the widespread adoption of environmental sustainability practices across various sectors. Environmental phenomena such as renewable energy, technological advancements, and waste recycling have infiltrated a diverse range of stakeholder categories that span the realms of government, industry, and community (Tennakoon et al., 2024).

### Agency Theory

Agency theory was initially articulated by Jensen and Meckling in 1976, focusing on the principal-agent relationship within organizations and addressing challenges arising from the information asymmetry between managers and owners. Agency theory is pertinent to sustainability practices and green accounting, as it serves to mitigate agency conflicts between shareholders and management. Fama and Jensen (1983) further elaborated on this theory, underscoring the importance of mechanisms such as reporting to align stakeholder interests (Ahmed & Ibikunle, 2023).

### Resource Based View Theory

According to the proponents of this theory, namely Barney (1991), Porter and Kramer (2006), the resource-based view (RBV) elucidates the correlation between environmentally sustainable accounting practices and competitive advantage. Porter and Kramer (2006) further advanced this notion through the framework of shared value, asserting that organizations can attain competitive advantage by addressing societal needs through their core business operations, which encompass sustainable initiatives (Ahmed & Ibikunle, 2023).

A convergence of technological

innovations, regulatory reforms, and societal awareness will likely characterize the future trajectory of natural resource conservation. This necessitates a thorough and synergistic methodology that encompasses governmental institutions, non-governmental organizations, corporate entities, and individuals, ultimately mobilizing the larger community (Tennakoon et al., 2024).

### Empirical Review

Numerous investigations have scrutinized the execution of green accounting and sustainability practices within the Nigerian context, elucidating their ramifications on corporate performance, adherence to regulatory frameworks, and innovation in resource management. A scholarly inquiry undertaken by Justita & Riyanto (2022) evaluates the degree to which green accounting impacts sustainable development and financial performance, alongside the reciprocal influences of financial performance on sustainable development and the mediating role of green accounting in facilitating sustainable development through financial performance. The study's population, spanning from 2017 to 2020, consisted of manufacturing firms operating within the green sector and listed on the Indonesia Stock Exchange.

In accordance with the investigation conducted by Thanasas (2024), the study meticulously examines the intersection of accounting practices and environmental sustainability through the paradigms of environmental accounting and eco-friendly taxation, this analysis employs extant academic literature and empirical evidence to investigate the role of accounting in facilitating environmental governance while assessing the effectiveness of green taxation policies in promoting sustainability. The research scrutinizes the manner in which diverse accounting methodologies, such as carbon accounting and natural resource accounting, aid in the quantification and articulation of environmental costs and benefits.

Additionally, it evaluates the consequences of green taxation measures, including carbon taxes and pollution levies, on both corporate entities and ecological systems. A comprehensive investigation undertaken by **Iftikhar et al. (2021)** reveals the absence of a direct relationship between green human resource management and environmental performance. Conversely, green innovation is identified as a mediating factor within the nexus between green human resource management and environmental performance. Furthermore, it is asserted that the environmental strategy significantly contributes to enhancing the organisation's environmental performance.

**Research Methods**

This research employs an ex-post facto research design. The ex-post facto research dimension facilitates the examination of causal relationships among green accounting, sustainability practices, environmental reporting, and innovation in resource management, utilizing secondary data derived from published financial and sustainability reports. The demographic scope of this investigation encompasses approximately 50 companies listed on the Nigerian Exchange (NGX) across various sectors, including Industrial Goods and Consumer Goods firms within Nigeria. The selection of these companies is predicated upon their proactive engagement in sustainability reporting, disclosures related to environmental accounting, and initiatives associated with green innovation,

as substantiated by their annual financial statements, sustainability reports, and regulatory filings. The research methodology incorporates a purposive sampling technique, which will be employed to select firms from sectors such as Consumer Goods and Industrial Goods based on the data accessible on the Nigerian Exchange Website, while taking into account the availability of their financial records. The sample size for this study will comprise seven (7) listed Consumer Goods companies and nine (9) listed Industrial Goods companies.

**Data Analyses and Interpretation**

This segment addresses the characterization of the data, hypothesis testing, and subsequent interpretation.

**Descriptive Statistics**

The summary statistics illustrated in Table 1, indicates that the innovation in resource management (IRM) index possesses a mean value of 0.176, which signifies that the firms represented in the sample exhibit a comparatively low level of innovation in resource management. The standard deviation of 0.136 implies the presence of variability in the level of innovation in resource management among the firms. The skewness and kurtosis values suggest that the distribution of the innovation in resource management index is positively skewed and leptokurtic, indicating that the majority of firms display low levels of innovation in resource management, while a minority of firms demonstrate high levels.

**Table 1-: Summary Statistics**  
**Sample: N = 16, T = 11 (2014 – 2024)**

Statistics	Variables				
	IRM	GA	SP	FSIZE	ROA
Obs.	176	176	176	176	176
Mean	0.176	0.481	0.135	16.725	0.083
Median	0.135	0.500	0.105	16.724	0.069
Maximum	0.900	0.595	0.863	19.908	1.820
Minimum	0.003	0.000	0.001	12.665	-0.335
Std. Dev.	0.136	0.111	0.121	1.682	0.186
Skewness	1.667	2.703	-2.508	-0.444	5.022
Kurtosis	4.941	8.167	12.233	-0.399	44.68

**Source:** Researcher's computation, (2025).

The green accounting (GA) index reflects a mean value of 0.481, denoting that the firms included in the sample maintain a moderate level of green accounting practices. The standard deviation of 0.111 suggests a degree of variability in the level of green accounting practices across the firms. The skewness value of -2.508 reveals that the distribution of the green accounting index is negatively skewed, indicating that the majority of firms exhibit high levels of green accounting practices.

The sustainability practices (SP) index reveals a mean value of 0.135, indicating that the firms within the sample exhibit a relatively low level of sustainability practices. The standard deviation of 0.121 suggests variability in the level

of sustainability practices among the firms. The skewness and kurtosis values imply that the distribution of the sustainability practices index is positively skewed and leptokurtic, suggesting that most firms demonstrate low levels of sustainability practices, while a small number of firms show high levels.

#### **Test of Multicollinearity**

To ascertain the presence of multicollinearity among policy variables in each model, the Variance Inflation Factor (VIF) was utilized. The VIF evaluates the extent to which the correlation among explanatory variables inflates the variance of estimated coefficients, thereby identifying potential multicollinearity concerns.

**Table 2:- Variance Inflation Factor  
Sample: N = 16, T = 11 (2014 – 2024)**

<b>Dependent Variables: IRM</b>		
<b>Variable</b>	<b>VIF</b>	<b>1/VIF</b>
SEC	1.683	0.594
FS	1.642	0.609
SP	1.176	0.850
ROA	1.170	0.854
GA	1.042	0.960
<b>Mean VIF</b>	<b>1.235</b>	.

**Source:** Researcher's computation (2025).

The findings presented in Table 2, elucidate the Variance Inflation Factors (VIFs) and tolerance levels (1/VIF) of the explanatory variables. In accordance with established conventions, a VIF value that is less than 10 signifies that multicollinearity does not pose a significant issue. Given that all variables within the model exhibited VIFs that remained beneath this critical threshold, it implies that the explanatory variables do not exhibit substantial correlations, thereby fulfilling the requisite standard for the absence of multicollinearity.

#### **Model Estimation and Result**

In alignment with the data structure of the study, the analysis employed static panel estimators, which encompass common effect

(CE), fixed effect (FE), and random effect (RE) estimators. Consequently, the most efficient estimator was duly selected. Moreover, the variables underwent transformation into their natural logarithmic form during the estimation process, thereby yielding elasticity coefficients. Table 3, provides a synthesis of the estimates and statistical data obtained from the model estimation of the study employing the aforementioned estimators. Following the results of the fixed effect test (F-stat. = 1.720,  $p = 0.0526 > 0.05$ ) juxtaposing the CE and FE estimators, it was determined that the CE estimator is more suitable in comparison to the FE estimator. In the context of the random effect test (BP-LM stat. = 0.150,  $p = 0.3505 > 0.05$ )

contrasting the CE and RE estimators, the CE estimator was identified as more efficient than the RE estimator.

Nevertheless, the outcome of the Hausman test ( $\chi^2 = 16.950$ ,  $p = 0.0020 < 0.05$ ) denotes that the FE estimator appears to be more appropriate when compared to the RE estimator, yet the common effect estimator (CE)

is deemed the most efficient among the three (3) competing static panel estimators, and thus, it has been adopted for the inferential analysis of the study. The choice of the CE estimator implies the existence of homogeneity among the selected firms. The inferences are conducted in the following manner:

**Table 3:- Panel Model Estimation Results**  
**Panel Structure: N = 16, T = 11 (2014 – 2024)**  
**Dependent Variable: IRM**

Estimator:	CE	FE: LSDV	RE
<b>Independent Variables</b>			
<i>Intercept (C)</i>	0.108 (0.161)	0.624** (0.0129)	0.118 (0.146)
<i>GA</i>	0.0950* (0.0780)	0.0681 (0.288)	0.0933* (0.0868)
<i>SP</i>	0.806*** (0.000)	0.708*** (0.000)	0.796*** (0.000)
<i>SEC</i>	0.00610 (0.689)	--	0.00738 (0.650)
<i>FS</i>	-0.00604 (0.175)	-0.0351** (0.0158)	-0.00656 (0.166)
<i>IRM</i>	0.149*** (0.0000)	0.144*** (0.0000)	0.148*** (0.0000)
<b>Further Statistics and Tests</b>			
<b>Effect Tests</b>			
<b>CE-FE: Fixed Effect test (F-Stat.)</b>	-	1.720 (0.0526)	-
<b>CE-RE: BP-LM Test (<math>X^2</math>)</b>	-	-	0.150 (0.3505)
<b>RE-FE: Hausman Test (<math>X^2</math>)</b>	-	-	16.950 (0.0020)
<b>Explanatory Power</b>			
R-squared	0.6879	0.5804	0.5692
Adj. R-squared	0.6787	-	-
F-statistic (or Wald Test)	74.930*** (0.000)	53.950*** (0.000)	353.59*** (0.000)
Ramsey RESET Test	0.3900 (0.7585)	--	--
Heteroscedasticity test (BP)	2.8800 (0.0895)	--	--
CD Test - Friedman		21.648 (0.1174)	15.318 (0.4288)

**Source:** Researcher's computation (2025)

### Test of Hypothesis 1

The results delineated in Table 3, predicated on the common Effects (RE) estimator, reveal that green accounting (GA) exerts a positive influence on innovation in resource management (IRM). Specifically, the coefficient associated with green accounting (GA) is 0.095, indicating that a one-unit augmentation in the index of green accounting practices correlates with a 0.095 unit increase in innovation in resource management, while controlling for other variables. However, the p-value of 0.078 suggests that the impact of green accounting is only marginally significant at the 10% significance level. The null hypothesis is, therefore, tentatively rejected at the 10 percent significance threshold.

### Test of Hypothesis 2

As illustrated in Table 3, under the CE estimation results, the coefficient for sustainability practices (SP) is 0.8057, signifying that a one-unit increase in the index of sustainability practices (SP) is associated with a 0.8056 unit increase in innovation in resource management (IRM), while holding other variables constant. The p-value of 0.000 indicates that the effect of sustainability practices is of high statistical significance. Consequently, the null hypothesis is rejected at the 1-percent significance level.

Meanwhile, the empirical findings suggest that return on assets (ROA) exerts a positive and statistically significant influence on innovation within the domain of resource management, evidenced by a coefficient of 0.14871 and a p-value of 0.000. This implies that entities exhibiting elevated levels of profitability are predisposed to allocate resources towards

innovation in resource management. The sector dummy variable and the scale of the firm do not seem to exert a statistically significant influence on innovation in resource management, as corroborated by their respective p-values of 0.689 and 0.175. The sector dummy variable and the scale of the firm do not appear to exert a statistically significant influence on innovation in resource management, as corroborated by their respective p-values of 0.689 and 0.175.

### Test of Overall Significance

As delineated in Table 3, under the CE estimator, the R-squared value of 0.6879 signifies that approximately 68.79% of the variability in innovation in resource management (IRM) is elucidated by the independent variables encompassed within the model. The adjusted R-squared value of 0.6787 indicates that the model demonstrates a commendable fit.

### Model Diagnostic Tests of the CE estimator

The diagnostic assessments conducted, encompassing the Ramsey RESET test and the Breusch-Pagan/Cook-Weisberg test, reveal that the model does not exhibit signs of omitted variable bias (F-stat = 0.390,  $p = 7585$ ) and demonstrate homoscedasticity ( $X^2 = 2.880$ ,  $p = 0.0895$ ).

### Summary of Hypotheses Testing Results

This section provides a synthesis of the significance tests conducted on the estimated models, aimed at elucidating the findings of the study's hypothesis testing concerning the impact of green accounting (GA) and sustainability practices (SP) on innovation in resource management (IRM) from an accounting standpoint, utilizing data from 16 selected firms operating within the consumer goods and industrial sectors in Nigeria:

**Table 4.-: Tests of Hypotheses Result Summary**

	Alternative Hypotheses ( $H_1$ )	Test of Significance
	green accounting (GA), sustainability practices (SP) and innovation in resource management (IRM)	
1.	Green accounting have a relationship with the impact of	+ Significant ( $p <$

	innovation in resource management across Nigerian firms.	0.1)
2.	Sustainability practices majorly influences innovation in management of resources within Nigeria.	+ Significant ( $p < 0.01$ )

Source: Researcher’s compilation (2025).

**Discussion of findings**

The present investigation examines the influence of green accounting and sustainability practices on innovation within resource management across selected enterprises from the consumer goods and industrial sectors in Nigeria. The empirical results reveal that both green accounting and sustainability practices exert a favorable effect on innovation in resource management. The findings imply that organizations that implement green accounting practices are more inclined to witness an enhancement in innovation regarding resource management. Nevertheless, the correlation between green accounting and innovation in resource management is only marginally significant, suggesting that although green accounting practices do exert a positive influence, the association is not exceptionally robust.

Conversely, the results demonstrate that sustainability practices possess a highly significant and positive effect on innovation in resource management. This indicates that organizations that embrace sustainability practices are more likely to experience a substantial increase in innovation related to resource management.

**Conclusion**

In a global context, there exists a burgeoning demand for comprehensive environmental and sustainability reporting from enterprises; consequently, green accounting and sustainability initiatives are regarded as pivotal strategies to ensure that organizations uphold their accountability and exhibit transparency in the disclosure of their environmental impacts stemming from business and operational activities. Based on the empirical findings, it can be inferred that green accounting practices have the potential to assist organizations in recognizing and managing environmental costs and benefits, thereby fostering innovation in

resource management. Conversely, sustainability practices can catalyze innovation in resource management by motivating firms to embrace environmentally sustainable and socially responsible methodologies.

As a result, it can be deduced from the findings that firms operating in Nigeria stand to gain from the implementation of green accounting practices and sustainability initiatives to augment innovation in resource management. The two hypotheses were positively validated, indicating that both green accounting and sustainability practices contribute significantly to this endeavor have a beneficial influence on the advancement of innovation in the domain of resource management. Although the correlation between green accounting and innovation in resource management exhibits a marginal level of significance, it does not indicate a robust association. The implementation of sustainability practices seems to exhibit a heightened efficacy in fostering innovation in resource management among Nigerian enterprises.

**Recommendations**

In light of the synthesis of the findings and the conclusions derived from the study, the following recommendations are proposed, offering pragmatic solutions and guiding policy directions:

- i. It is imperative for policymakers to prioritize the formulation and execution of comprehensive environmental policies and regulations that are designed to mitigate environmental impacts and to encourage corporate accountability towards environmental stewardship.
- ii. The intensification of sustainability practices across all sectors is imperative, as Nigeria grapples with a multitude of pressing environmental issues, including deforestation, pollution, climate change, and the deterioration of biodiversity.

Corporations must consistently undertake the preparation and dissemination of their annual sustainability reports.

- iii. It is essential for firms to dedicate efforts towards continuous investment and the generation of innovative ideas in the realm of resource management practices. As we inhabit a dynamic world characterized by the perpetual emergence of technological innovations, organizations should strategically leverage these advancements to enhance their overall financial performance. Designated funds must be allocated for Research and Development to support technological progress.
- iv. Future researchers should concentrate on the examination of specific sectors rather than making generalized conclusions, to gain a deeper understanding of the unique challenges and opportunities inherent within diverse sectors.

### Suggestions for Further Research

Although the present study has generated significant insights concerning the role of green accounting and sustainability practices as drivers of innovation within resource management, there are additional pathways for academic exploration.

To begin with, this investigation primarily focused on enterprises operating in the industrial and consumer goods sectors in Nigeria. Future scholars might expand their inquiries by encompassing a broader array of sectors, such as financial services, agriculture, construction/real estate, oil and gas, and healthcare, where sustainability practices and environmental, social, and governance (ESG) disclosures are gaining increasing relevance.

This sectoral diversification would augment the understanding of the effects of green accounting across a spectrum of economic activities. Subsequent research endeavors may be enriched by employing mixed-method methodologies that combine secondary data with primary data acquired through interviews,

surveys, or case studies. This methodological approach would provide more nuanced perspectives on managerial viewpoints and stakeholder attitudes towards sustainability practices.

### References

- Abosede, O., Odewumi, A., Adekanbi, O., Oladimeji, A., & Olaniyi, A. (2024). Sustainable development in Nigeria's manufacturing sector: Exploring the relationship between organizational sustainability and firm performance through the lens of SDGs. *Asian Journal of Economics, Finance and Management*.
- Adula, H. V., & Natasha, P. (2024). A review on green accounting practices and sustainable financial performance. *Journal of Business Management and Information System*. <https://doi.org/10.48001/jbmis.2024.si10>
- Ahmed, A. Z., & Ibikunle, J. (2023). Green accounting: A fundamental pillar of corporate sustainability reporting. *Journal of Accounting and Financial Management*.
- Barney, J. (1991). Firm resources and sustained competitive advantage. *Journal of Management*, 17(1), 99–120.
- Dwi, U., & Adi, P. (2024). The effect of implementing green accounting and green innovation on the success of sustainable development goals: An empirical study on basic material companies on the Indonesia Stock Exchange in 2021. *Journal of Economics and Sustainability Studies*.
- Egiyi, M., & Okoye, G. (2020). Green accounting: The way to economic sustainability. *International Journal of Advanced Economics and Sustainable Development*, 5(3), 33–45.
- Fama, E. F., & Jensen, M. C. (1983). Agency problems and residual claims. *Journal of Law and Economics*, 26(2), 327–349.
- Freeman, R. E. (1984). *Strategic management: A stakeholder approach*. Pitman Publishing.
- Ibimilua, F., & Oluwatoyin, M. (2024).

- Environmental problems and sustainable development in Nigeria. *Journal of Environmental Sciences*, 12(1), 55–66.
- Iftikhar, H., Mehrab, N., Qurrahtulain, K., & Saadullah, S. (2021). Linking green human resource practices and environmental performance: The role of green innovation as mediator and environmental strategy as moderator. *RADS Journal of Business Management*, 3(2), 1-10. <http://creativecommons.org/licenses/by/4.0>.
- Jensen M. C. & Meckling W. H. (1976). Theory of the firm: managerial behavior, agency costs and ownership structure. *J. Finance. Econ.* 305-360.
- Justita, D., & Riyanto, S. (2022). Application of green accounting to sustainable development: Improving financial performance in green industries. *Journal Akuntansi* 26 (2), 192-212. <https://dx.doi.org/10.24912/ja.v26i2.893>.
- Tennakoon, W, Jandari, M., & Wattuhewa I. (2024). Environmental sustainability practices: A systematic literature review. *European Journal of Sustainable Development Research.*, 8(3), em0259. <https://doi.org/10.29333/ejosdr/14604>.
- Thanasas, G. L. (2024). Innovations in environmental accounting and green taxation: A narrative review. *Theoretical Economics Letters*, 14, 1818–1833. <https://doi.org/10.4236/tel.2024.145091>