Legitimacy Theory and Environmental Accounting Reporting and Practice: A Revisit to the Literature Review

Abstract

In meeting the regulatory and ethical requirements of environmental accounting, reporting and practice among corporate organizations seem quite complex and challenging. Globally, management exerts much energy complying with environmental issues that affect salient societal requirements of pragmatic legitimacy and environmental accounting reporting and practice, yet the extent of this alignment remains uncertain. This study examined legitimacy theory and environmental accounting reporting and practices, adopting an exploratory research approach. The study resorted to using relevant materials from the field of accounting and finance. The study consulted and used journals, periodicals, and other documented material found to be appropriate and relevant to the study. Legitimacy theory was appropriately reviewed while other subsidiary theories of stakeholder theory and environmental information disclosure theory form part of the theoretical consideration. The study recommended that management of pollution sensitive companies should make environmental protection a priority and show good and quality character of adequate environmental disclosure and proper environmental accounting reporting and practice as expected by the stakeholders.

Keywords: Environmental accounting and reporting, Ethical and social norms, Greenhouse, Legitimacy, Societal acceptance, Stakeholders.

1.1 Introduction

In explaining environmental accounting reporting and practices, a good number of theories have been advanced, however, legitimacy theory happened to have largely dominated the theoretical landscape in this respect in explaining the theoretical perspectives linking environmental reporting and disclosure to corporate social responsibilities. A couple of the corporate organizations have shown a clear understanding of the essence of legitimacy and the need for adequate environmental accounting information disclosed as required by the shareholders and other stakeholders as a consequence of a necessity of legitimacy theory and its propositions, suggesting that companies interrelated to pollutions must be transparent and in addition, ensure the legitimacy of environmental information disclosure (Izzo, Ciaburri & Tiscini, 2020; Amegah & Agyei-Mensah, 2017). Legitimacy theory suggested that corporate bodies, especially pollution sensitive companies must endeavour to conduct their operational affairs within the constraints and norms of the society, such that the society will neither be violated nor deprived of its legitimate livelihood (Munteanu, Grigorescu, Condrea & Pelinescu, 2020). Legitimacy theory suggested that corporate organizations desire to function within the boundaries and norms acceptable by the society, as such, in adopting legitimacy, companies tend to voluntarily report its activities that are required by the stakeholders (Agirre & Gomez, 2019).

It further suggested that the corporate organization owed the society a responsibility to ensure voluntary environmental information reporting of its efforts to ensure quality products and services, safety and protect the environment in all its operational activities. Muniz, Zhao and Yang (2017) posited that the stakeholders deserve honest and credible information about the activities of the corporate organization where they have invested interest. Provision of such credible information should remain one of the strategic intents of all environmentally conscious organizations (Aguguom, Salawu & Akintoye, 2018; Nadeem, Zaman & Saleem, 2019; Ogunode & Adegbie, 2020). In all respects, a theoretical understanding of legitimacy predicts that corporate organizations must exhibit adequate character and behaviors in managing and maintaining cordial relationships with the stakeholders and the society at large through appropriate environmental disclosure (Ouvrard, Jasimuddin & Spiga, 2020). Garcia, Cintra, Torres and Lima (2016) posited that adequate social responsibilities and environmental information reporting practice have a significant link for companies legitimizing its corporate behaviours to the corporate image of companies (Fayiga, Ipinmoroti & Chirenje, 2018; Deephouse, Bundy, Tost & Suchman, 2017).

Environmental accounting reporting can be complicated and challenging and this has led to frustrations and unprecedented difficulties obtaining a precise measurement in accounting numbers (Ipeaiyeda & Adegboyega, 2017). Categorically, environmental accounting entails a clear narrative of numerical accounting information of companies' efforts and how their activities impact on the immediate environment as well as adding value to its equity holders and the other stakeholders at large (Igbudu, Garanti & Popoola, 2018; Oyewo & Badejo, 2014). Corporate governance at its best is motivated to ensure corporate responsibility of companies are geared towards value creation, protection of the core value of the companies to its corporate sustenance, protection of the environment and addressing stakeholders' worries (Owolabi & Odetayo, 2020; Hu, Du & Zhang, 2020). Adequate disclosure of accounting information is a significant and useful tool in the hands of the management to build on its reputation and a meaningful vehicle to convey to the public its legitimacy and relevance in the industry (Ogunode & Adegbie, 2020; Ouvrard, Jasimuddin & Spiga, 2020; Sanjaga, Markus & Carol, 2019).

The extent of environmental accounting reporting compliance in the developed economies seem impressively voluntary, as companies do not want to be involved in any form of controversy capable of spreading uncharitable information, that will turn to hunt them now and in the near future, however, not the same in the developing economies, where corporate organization consider environmental protection and environmental accounting reporting optional owing to weak and corrupt regulators who take delight in flouting and compromising enforcement of environmental laws (Nabitz & Hirzel, 2020; Deephouse, Bundy, Tost & Suchman, 2017).

The objective of this study was to have a holistic review of the possible influence of the doctrine of legitimacy theory and environmental accounting reporting and practice from a qualitative perspective. Fewer studies have documented that companies in an attempt to establish a sustainable future and create a niche for themselves, in influencing the attractiveness of the society, chose the part of legitimacy and friendly working environment with its communities. Incidentally, the majority of studies that have made impressive literature were from developed economies, thus revealing scanty studies in the developing economies. Bissadu, Koglo, Johnson and Akpoti (2017) posited that despite the growing awareness and importance of environmental accounting reporting and practice in developing countries, studies that have examined the theoretical position of the legitimacy of this understanding remain scarce. In the Nigerian perspective, there is a dearth of studies in this regard, as the legitimacy theory juxtaposition in the environmental accounting reporting and practice seem unavailable, creating wide gaps in the literature in this aspect. In addressing these gaps, this study makes a bold attempt in responding to environmental issues in a fresh perspective in relation to legitimacy theory as it influences environmental accounting reporting practice (Ofedepo, 2019; Uzochukwu, 2016).

1.2 Statement of the Problem

The communities predisposed to reporting environmental degradation usually seemed neglected and consider reporting pollutions a waste of energy as their farmland and aquatic animals suffer extensive environmental injustice (Etchie, 2018). Quite pathetic, such communities have virtually lost their environment, their water, fish and farmland to environmental pollution. According to Fyiga, Ipinmoroti and Chirenje (2018), oil exploration activities have traversed the Niger Delta of Nigeria's land, creeks and waterways and the existing legal and regulatory framework have seemed ineffective to curb both the unhealthy practices as well as failed to put in place sufficient punitive measures to drive towards full compliance (Igbudu, Garanti & Popoola, 2018). According to World Health Organization, over 7 million inhabitants are exposed to air pollution that when solved is capable of preventing lung cancer, heart-related diseases and stroke, and protecting unborn babies from harmful effects of air pollution.

In a more specific understanding, some of the major problems centered around proper applicability of the legitimacy theory in driving environmental accounting reporting and practice. In handling this, the study considered non-compliance to environmental regulatory guidelines, pollutions and its effect on health implications, the consequences of inadequate environmental accounting reporting and practice and the pitiable state of environmental-related issues in Nigeria. Some previous studies have advanced some of the problems which includes among others, the issue of air pollution, climate change and global warming, the concern of waste management and poor urban living standards of the inhabitants, the problem of deforestation as well as desertification, the prevalence of flooding and wind pollution among others (Kalu & Zakirova, 2019; Magaji, Lawan & Naziru, 2018). All these have significantly negatively impacted on the environment and its inhabitants inclusive of human beings, the animals and other aquatic life.

Nonetheless, the extent of environmental protection compliance, environmental accounting reporting and practice in the developing countries remain quite uncertain, as pollution in these countries are a normal occurrence and the regulators now consider reporting environmental information unnecessary and unorthodox to resolving environmental issues while striving towards greenhouse attainment. Consequently, in contributing to knowledge, this study reviewed the applicability of legitimacy theory on environmental accounting reporting and practice. The rest of the study was put together in this manner: In section 2, a review of extant literature was presented, methodology in section 3, while in section 4, the study considered the conclusion of the study followed by recommendations.

2. Review of Extant Literature

2.2.1 Environmental Accounting Reporting and Practice

Environmental accounting reporting and practice represents a broad field which encompasses economic resources and their use and evaluation as well as the reporting of associated environmental costs as they impact on organizations and the society at large. Environmental accounting, as a subset of accounting, is interested in incorporating all societal values and economic value creation in a comprehensive accounting reporting format. Environmental accounting incorporates a system that tries to integrate and harmonize environmental and business accounting in one piece (Agarwal, Gneiting & Mhlanga, 2017). Some studies have posited that environmental accounting regulates the effects of nature in managing and providing valuation of natural resources as a veritable input in the corporate stewardship process. Environmental accounting otherwise green accounting also considers the modification of business operations that are responsible for the use or depletion of natural resources (Aggarwal, Erel, Ferreira & Matos, 2011; Aliyu, Musa & Jeb, 2014; Balakrishnan, 2019). Other scholars have documented that environmental accounting is significant in assisting management to meet with their corporate sustainability goals and efficiently manage costs (Doorasamy & Garbharran, 2015; Burritt & Christ, 2016; Adolfo, Ignacio and Pasten, 2018).

Furthermore, environmental accounting reporting and practice integrates adequate reporting of the effective management of natural resources and economic performance to stakeholders' expectations of the management of corporate organizations (Garcia, Cintra, Torres & Lima, 2016). Consistent with this, Buhr, Gray and Milne (2014) maintained that at the corporate level, it is all about corporate activities that measures and analyses environmental performance and reporting of environmental and ecological influences of the ecosystem. The financial and non-financial performance of companies in terms of the effect of its activities on the stakeholders, like the customers, the government, employees' fair treatment and career development, the protection of the environment within and around the host communities and shareholders satisfaction, all constitute fundamental elements of environmental accounting reporting and practice.

2.2.2 Environmental Factors and Legitimacy Postulates

Corporate organizations are influenced by societal legitimacy and environmental factors in determining the operational structure and business successes (Higgins, Mlne & VanGramberg, 2015; Sudday, Bitetine & Haack, 2017). This position is significant as the actions of the companies is impacted by environmental changes in the society and these factors impose environmental challenges and at the same time create huge business opportunities for sustainable economic growth and environmental reporting and practices (Sabishchenko, Rebilas, Sczygiol & Urbanski, 2020). Corporate organizations need to be aware of the great impacted of environmental realities on the operational activities of business advancement and how organizational strategic decisions can be influenced consequently to this changing phenomenon (Sanjaga, Markus & Carol, 2019). To operate under a legitimized, organizations must understand its environment and factors internally and externally that negate pursuance of the goals and objectives of the organization. According to Suddaby, Bitektime and Haack (2017), Adequate real environmental issues, strategic planning and management decisions must align with others to attain societal legitimacy and value creation for the shareholders in order to grow the organization to sustainable financial performance.

Beyond the foregoing, corporate organizations must understand that environmental issues are dynamic and ever-changing, for this, the management must be flexible to accommodate the dynamic nature of the environment in all corporate strategic planning. The diversity and complexity of societal expectations and environmental accounting requirements can be quite challenging, yet, the management must reflect in all policies evidence of transparency and adequate information disclosure to educate the society its honest efforts of being sensitive to environmental issues and managing organizational legitimacy and societal confidence (Magaji, Lawan & Naziru, 2018)

2.2.3 Consequences of Environmental Changes: Threats and Prospects

The legitimacy to a greater extent empowers the companies in fulfilling mandates and meeting their strategic objectives. However, divergences and disparity in achieving a common understanding can be inversely counterproductive (Munteanu, Grigorescu, Condrea & Pelinescu, 2020). Inability to have a common front can have unpredictive and substantial effects on the sustainable corporate financial performance, corporate productivity and profitability in all aspects (Anyanwu, Ezejiofor, Igweze & Orisakwe, 2018; Babayemi, Oundiran & Osibanjo, 2016). Changes and unmonitored development within the environment can affect business activities, as such the managers should respond appropriately and on time, changes and developments in the environment. The managers at all levels must initiate efforts to identify and assess existing and potential threats from the environment as well as prospects to build upon to improve and maximize opportunities (Owolabi, Adegbie & Oyetunji, 2020).

2. Theoretical Consideration

In consideration of this study, legitimacy theory, stakeholder theory and environmental information disclosure theory were considered. While legitimacy theory forms the main underpinning theory, environmental information disclosure theory reinforces and supports the environmental accounting reporting and practice as the subsidiary underpinning theory. However, because of the nexus between the expectations of the stakeholders and efforts of the companies meeting these expectations, the study considered stakeholder theory as one of the studies reviewed.

2.2.1 Legitimacy Theory: The legitimacy theory is concerned with a Social contract between corporate entities and the society where the companies socially accept the societal conditions for acceptance and for better understanding. The existence of an understanding between the society and the corporate entities is essentially for the purpose of legitimacy, harmonious co-existence and for mutual benefits. According to Suddaby, Bitektine and Haack (2017), legitimacy theory is concerned with such assurance of fulfilling and meeting certain conditions and expectations while giving due recognition to the societal demands, cultural respect and societal values. In order words, the legitimacy theory suggested that the companies natural accept to operate their activities in such a manner as not to violate the existing peace, environmental condition and social norms in the community where they operate. Chelli, Richard and Durocher (2014) posited that legitimacy theory is useful in environmental financial accounting and reporting to accentuate the financial disclosure practices adopted by the pollution sensitive organization in the conduct of the operations, in protecting and management of wastes.

Legitimacy theory has been considered in literature from two perspectives; (i) the institutional level perspectives and (ii) organizational level perspective. While the institutional level perspective is interested the manner and extent of organizational structures put in place by the organization has received acceptance and recognition to naturally achieve organizational set goals, since societal acceptance is key, acceptance of its products and services of any organization gives such organization more competitive advantage over its competitors. The second part, the organization level perspective is also concerned with how the companies through their actions and operational activities have not violated the societal culture but have defended and legitimized the societal culture for societal acceptance.

Some assumptions of Legitimacy Theory: Some assumptions of legitimacy theory include: (i) that for mutual co-existence, there must be an understanding (ii), the companies must depend on societal legitimacy to succeed (iii) corporate organization naturally cannot succeed with the society and the stakeholder's cooperation and understanding (iv) entity value system must align with the societal value system since the companies must pattern their product in such manner that must be accepted by the society (v) the societal contract naturally must be established and accepted between the companies and the society in which the company operates (vi) the social contract reflects multi-explicit and at the same time implicit expectations of the society Agirre & Gomez, 2019; Aliyu & Botai, 2018).

Some proponents' studies have shown support to the propositions and postulations of legitimacy theory, for instance, Bissadu, Koglo, Johnson and Akpoti (2017) submitted that legitimacy theory and its ideology is significant since there must be a symbiotic relationship between the society and the organization in every community before such organization succeeds in its activities. In most cases, the society tend to be the customers for whom the company is depending upon to sell its products. Consistent with this understanding, Cho, Laine, Roberts and Rodrigue (2015) noted that the idea of legitimacy is important because it assist companies predict strategies to adopt to assure societal acceptance. On the contrary, some opponents and other studies questioned that society demands and expectations are unreasonable and overbearing. According to Munoz, Zhao and Yang (2017), the societal demand and expectation are unstainable and widely irrational. In addition, Izzo, Ciaburri and Tiscini (2020) in the same manner, opined that stakeholder expectations from companies are open-endless futuristic in nature, making it impossible to know the expectation of diverse group of peoples constituted the society, that societal expectations are endless and wide to understand.

This study considers legitimacy theory interest and appropriately relevant to this study. This study, therefore, validates the assumptions that they should be a mutual understanding between parties for a peaceful co-existence for the parties involved to have a meaning success in its quest. While the organization need the understanding of the society to succeed, the society equally needs the organization to reciprocate by ensuring adequate information disclosure of its efforts in preserving and protecting the society and the environmental where they operate.

2.2.2 Stakeholders Theory: In its postulation, Freeman in the year 1984, propounded stakeholder theory in a defiant contradiction of agency theory philosophical understanding of the relationship between the principal and the agents. According to Freeman, the understanding of the Jessen and Meckling (1976) agency theory has been centred on two-way relationship existence, the agents (shareholders) and the agents (now-managers), without due recognition of other interest groups called the stakeholders (Chelli, Richard & Durocher, 2014). Consequently, Freeman postulation in stakeholder theory suggested that besides the shareholders, there are other groups who are interested in the fortunes and misfortunes of corporate organization. Stakeholder theory, therefore, looks beyond the narrowed relationship between shareholders and management, that there are many other stakeholders like suppliers, customers, employees, the government, the society, lenders, and the other competitors who will benefit from the company as well (Conway, O'Keefe & Hrasky, 2015).

Dumay, Frost and Beck (2015) documented that while managers are narrow-bent in meeting the shareholder wealth maximization expectations of the owners, the managers have evidently neglected to put the other interest groups in perspective in their strategic managerial decisions. The managers are much engrossed working and pursuing the interest of the shareholders to such extent that due motivation of the employees is neglected, no wonder, the employees are paid peanuts, just to maximize and increase shareholder wealth (Cho, Laine, Roberts & Rodrique, 2015). The managers deny payment of right taxation to the government, by engaging in all manners of tax aggressiveness tendencies just to avoid tax payment towards protecting the shareholders' wealth maximization, in the same manner, the managers surcharge customers, and suppliers with the intention to maximize shareholders wealth and be seen by the shareholders as creating adequate value to continually appreciate them and allow to them have access to manage the company. In a twist, Durand and Vergne (2015) reasoned that in most cases, the managers are engrossed pursing their interest in pretense of maximizing shareholders interest, since their bonuses and remuneration largely depend on higher turnovers and higher earnings.

2.2.3 Environmental Information Disclosure Theory: Environmental information disclosure theory took a lean from the information asymmetry, positing that companies take advantage in privileged information at their disposal in pursuance of their interest, taking undue economic advantage of the ignorant and innocent investors who invest based on the little information made available to them. According to Mabahwi, Leh & Omar (2015; Marimuthu, 2008), environmental information disclosure theory suggested that corporate organization operating within the polluted environment due to improper waste disposal management, tend to conceal environmentally related information to the society, only report what may seem to appear due compliance to environmental information disclosure, in order to avoid being sanctioned by the environmental regulatory agencies. Leh *et al.*, (2008) stressed that information disclosure requirements are the least complied with by the companies operating in such an environment, as some of the financial statements negate full disclosure of non-financial activities of the companies. Developing countries are worst impact by the activities of these companies because of the obvious weakness and compromised posture of environmental regulations enforces, as the companies are not favourably predisposed to full environmental information disclosure, neither do the companies make the adequate investment to protect the environment and the communities where they carry out their operational trade (Nwachukwu & Mbachu, 2018; Okafor & Ogbu, 2018).

2.3 Empirical Review

Algoere and Ali (2019) conducted a study of the environmental accounting disclosure in Saudi Arabia operating in the oil and gas firms that were involved in non-reporting scandals in the year 2017. The researcher posited that the study was motivated to promote transparency and stewards practice as the firms were found to have defaulted. In addressing the problem of environmental accounting disclosure in Saudi Arabia, a content analysis approach was employed and a detailed review of other literature written about the companies was carefully carried out in line with the environmental regulation in force in Saudi Arabia. Based on the reviews and other analyses carried out, the study that the compliance level of the firms was not impressive as the majority of the companies were not sincere in their environmental information disclosure even with the new environmental laws introduced in Saudi Arabia in the year 2017.

Birindelli, Dell'Atti and Iannuzzi (2018) studied the effect of corporate governance on environmental information reporting in the oil and gas companies in the selected European countries. Using purposive sampling approach, the study was able to select a total of 108 listed firms trading their trade in some chosen European and United States of America for a period of 6 years covering 2011 to 2016. Using regression analysis, the study reported that corporate governance effectiveness in these countries influenced positive and appreciable environmental regulations compliance as such these companies were favorably disposed to adequate information disclosure since they were not ready for the possible penalties and consequences in defaulting.

In a similar fashion, the study of Asuqou, Dada and Onyeogaziri (2018) studied the influence of corporate governance on environmental accounting reporting in the oil and gas companies in Nigeria for a period of 10 years. The study adopted a secondary source of data gathering and used descriptive and multiple regression analysis in its data analysis. Based on the data analysis, the study found that corporate governance had an insignificant influence on environmental accounting reporting, the study stated that companies in Nigeria do not face strict sanctions for non-disclosure, hence many of them resort to partial environmental accounting information disclosure.

Mahmudi, Biswas and Islam (2017) investigated the causal relationship and effect of environmental sustainability reporting on the performance of oil and gas companies in Bangladesh. Using the global reporting initiative (GRI) checklist, the study analyzed data sourced from 30 companies that were quoted in Dhaka Stock Exchange as well as in the Chittagong Stock Exchange. The companies were selected using judgmental sampling techniques for a period of 5 years spanning from 2011 to 2015. The study carried a regression analysis and revealed that environmental sustainability reporting had a positive and insignificant effect on performance of oil and gas companies selected for the study who are responsive to the Global Reporting Initiative used as the checklist for the study. The study further revealed that environmental sustainability reporting had negative relationship with performance of the companies for the period tested.

The study of Ezeagba, Joh-Akamelu and Umeoduagu (2017) investigated the effect of environmental accounting reporting on the financial performance of oil and gas companies and some selected food and beverages manufacturing companies in Nigeria for a period of 8 years. The study employed multiple regression analysis using Ordinary Least Square (OLS) and the results revealed that environmental accounting reporting had a positive significant effect on the financial performance of the oil and gas companies as well as the analysis of the data from the food and beverages companies quoted on the Nigerian Stock Exchange.

Osemene, Kolawole and Oyelakun (2016) investigated empirically the influence environmental accounting reporting and practice on the financial performance of selected manufacturing companies operating in Nigeria. The study explored ex-post facto research technique and extracted data for the study from a total of 36 manufacturing companies randomly selected. Using return on assets and return on equity as performance indicators, a multiple regression analysis was carried out and the result of this analysis revealed that environmental accounting reporting and practice had a positive significant influence on return on assets and return on equity of the selected manufacturing companies. The study further concluded that environment accounting reporting and practice positively affected the financial performance of the manufacturing companies so tested.

Eze, Nweze and Enekwe (2016) carried out an investigation of the possible empirical impact of environmental accounting reporting and practice. The study employed secondary data using content analysis evaluating the greenhouses, gas emission and environmental pollutions in relation to environmental accounting reporting prevalent in Nigeria compared to developed economies. Based on the unspecified conducted analysis, the study reported that companies who are transparently honest in voluntary environmental information disclosure more in developed economies. The study further stated that these companies environmental accounting reporting had a positive impact on their market value. The study also revealed that companies in the developing countries environmental information disclosure were inversely related to value creation and stakeholders' expectation. The study then advised that policymakers in Nigeria should strengthen its policy enforcement agencies to enhance environmental accounting reporting in Nigeria.

3. Methodology

Legitimacy theory and environmental accounting reporting and practices were examined in this study adopting an exploratory research approach. In addressing this environmental accounting reporting and practice, the study resorted to use of relevant materials from the field of accounting and finance. The study consulted and used journals, periodicals, and other documented material found to be appropriate and relevant to the study. Specifically, the review involved three phases. First, a systematic review of multiple academic databases with principal focus on the study's identified keywords was carried out. These databases included Google Scholar, Emerald, JSTOR, ScienceDirect, Ulrich and ProQuest, EBSCO A-Z, Index Copernicus, CrossRef, World Cat and the Directory of Open Access Journals (DOAJ). This review revealed about 122 related academic papers at the first instance. This was subsequently pruned down to 38 using period and scope of study as inclusion criteria to enable better focus and relatability. Time horizon for the period selected was fifteen years covering 2005 to 2020. Next, full-text scanning of the selected 38 articles was done that culminated in the final selection of 7 papers which fully met the research objective and were consequently reflected in the empirical reviews. Legitimacy theory was also appropriately reviewed while other subsidiary theories of stakeholder theory and environmental information disclosure theory formed part of the theoretical consideration.

4. Conclusion and Recommendations

Conclusion: The study reviewed legitimacy theory and environmental accounting reporting and practice, and the review took an exploratory and contextual perspective, considering the social contract feature of corporate organizations requirement in gaining societal acceptance. The corporate organizations duties and responsibility include efforts to recognize the stakeholders' interest and of the societal culture, and norms within the environment where these companies operate. The protection of the environmental is a collective obligation that demand transparency and adequate information disclosure. This position has been advanced by prior studies that had documented that environmental accounting reporting and practice are correlated with legitimacy and corporate behaviors' aligning with the societal bounds and norms (Wangombe, 2013; Oti & Akpan, 2017;Khan & Hassan, 2019; Solikhah et al, 2020;Ogunode & Adegbie, 2020). While some studies have posited that instrumentality of legitimacy as suggested in legitimacy theory influences corporate financial performance (Bhattacharyya & Agbola, 2017;Siskawati, 2020; Crossley et al 2021;Ndlovu & Dzomira, 2021; Olateju et al, 2021), affirming the theoretical beliefs positing that the sustenance of corporate organization largely depends on the societal acceptance, a stakeholders understanding that such companies are honest in their dealings, operate with openness, produce quality products and services and to command public patronage.

The study concluded that while every organization are not averse to meeting stakeholders' expectations, but are much more enthusiastic to societal acceptance and legitimizing its behaviors to align within the confines of the societal bounds and norms, since on the contrary will be detrimental to its financial performance of companies. It has been observed through reviews carried out that high profile companies are more passionate to environmental accounting reporting and practice for the sake of their reputation and possible consequences to corporate stock return when bad news of non-compliance to environmental reporting could cause. Hence big and high-profile companies apply more transparent and accountable strategies in relation to public perceptions of a more environmental sensitive and responsive companies.

Recommendations: Based on the study review and empirical review carried out, the study advice that corporate organizations should not underscore possibility of corporate setbacks when their corporate cultures are on the opposite divide of societal cultural beliefs, as such, companies should seek legitimacy of actions to align with societal acceptable norms. Management of pollution sensitive companies should make environmental protection a priority and show good and quality character of adequate environmental disclosure and proper environmental accounting reporting and practice as expected by the stakeholders.

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