CORPORATE GOVERNANCE IN GHANAIAN BANKS: EXPLORING NEO-PATRIMONIAL NETWORKS, BANK GOVERNANCE DYNAMICS, AND CHALLENGES TO BANKING STABILITY

By ALEXANDER OWUSU ACHEAMPONG

(Registration number 2100742)

A thesis submitted to the University of Essex for the degree of DOCTOR OF PHILOSOPHY

Accounting Group

Essex Business School

University of Essex

April 2025

Abstract

This study investigates the dynamics of bank governance within the neopatrimonial context of Ghana. Broadly, it analyses the interplay between formal institutional frameworks enshrined in the form of bank regulations and regulatory circulars or directives issued by the Bank of Ghana and entrenched informal social, political, and patron-client networks. Existing research on bank governance in emerging economies frequently highlights challenges posed by regulatory gaps and institutional weaknesses; however, this study takes a closer look at the role of neopatrimonialism. Specifically, then, it considers how personal connections, loyalty, and reciprocal obligations intersect with official organizational hierarchies in shaping both internal and external bank governance mechanisms and outcomes of Ghana's banking sector.

This qualitative case study gathered its primary data through in-depth semi-structured interviews with 49 participants (recruited via purposive selection, initially through direct invitations then via snowball sampling). Participants were bank executives, regulatory officials, and industry experts such as consultants with extensive banking sector experience and former senior bank executives. Secondary data derived from analysing key banking sector reports and regulatory documents from the Bank of Ghana and other significant stakeholders, including the World Bank and International Monetary Fund. By applying neopatrimonialism, this study examines how informal networks shape board oversight, regulation, compliance, and risk management in banking governance.

The findings reveal that although Ghanaian banks are formally regulated and governed according to established standards and policies, informal social networks profoundly influence decision-making, resource allocation, and risk assessment. These informal dynamics present both advantages and challenges: while trust-based relationships may facilitate smooth

operations and responsiveness, they can also lead to conflicts of interest, weakened oversight, and increased susceptibility to political influence, which risk negative effects on bank governance and even lead to the collapse of banks.

This study makes an important contribution to the understanding of bank governance in emerging markets by illustrating how neopatrimonialism reshapes traditional governance expectations within Ghana's banking sector. It also highlights the dual structure of bank governance, where formal mechanisms of bank regulations are continually shaped by informal networks and social norms, and underscores the need for bank governance reforms that address the unique complexities of neopatrimonial systems. The findings provide a foundation for developing governance strategies that are contextually adaptive and resilient, accommodating the convergence of formal and informal institutions in such neopatrimonial environments.

Dedication

I dedicate this work to the over 5,000 individuals who lost their jobs during Ghana's banking sector clean-up, a consequence of poor governance and stringent regulations. I also extend this dedication to the more than 15,000 family members who were deeply affected by the ripple effects of this crisis.

Acknowledgements

I extend my deepest gratitude to Almighty God for His mercy, the privilege of embarking on this research, and the grace to see it through to completion. This journey has been both challenging and fulfilling, and I am profoundly grateful for the unwavering support and guidance of my supervisors, Professor Teerooven Soobaroyen and Dr. Shaila Ahmed, who have mentored me with patience, encouragement, and invaluable insights over the past three and two years, respectively. I also wish to acknowledge Dr. Danson Kimani, who was part of my supervisory team during the early years of my PhD until his departure from the University of Essex, after which Dr. Shaila Ahmed joined the team. Your mentorship and dedication have been instrumental in shaping my academic journey, and I sincerely appreciate the time and effort you invested in my development.

I extend my heartfelt gratitude to the faculty and staff of the Essex Business School (EBS), particularly the accounting group and the EBS Postgraduate Research Team. I am especially grateful to Professor Teerooven Soobaroyen for his continuous support and the opportunities he provided, particularly for recommending my first teaching role at the University of Essex International College. I also sincerely appreciate Dr. Bedanand Upadhaya for his consistent engagement, advice, and support throughout my studies.

My deep appreciation goes to the Ghana Scholarship Secretariat for funding my tuition during this period, a contribution that made this academic pursuit possible. I am particularly grateful to Dr. Kingsley Agyeman, who, until recently, served as the Head of the Scholarship Secretariat.

A special thank you to my family for their unwavering support. To my wife, Beatrice, and my children: your love, patience, and encouragement have been my greatest source of strength. This achievement would not have been possible without your sacrifices and understanding.

Finally, I am sincerely grateful to all the participants of this research, particularly those who made themselves available for consultations repeatedly. Your contributions were invaluable in shaping this study, and I deeply appreciate your time, insights, and willingness to share your experiences.

.

Contents

List of Tables

List of Figures

CHAPTER ONE

1.1 Background to the Study

The background to the study is structured to cover various interrelated aspects, beginning with broad global perspectives before narrowing to the specific Ghanaian case. At the international level, banking governance is recognised as critical for financial stability, accountability, and sustainable growth. Regionally, in sub-Saharan Africa, governance challenges often emerge from weak institutions, political interference, and the dominance of informal networks over formal systems. Within this context, Ghana provides an important case, where despite significant reforms, persistent governance weaknesses contributed to the 2017–2019 banking crisis. Each section of the background therefore moves from the general to the particular, situating Ghana appropriately.

1.1.1 Bank Governance Importance and Challenges

Bank governance is recognised internationally as a cornerstone of financial stability, investor confidence, and sustainable economic growth. Effective governance frameworks ensure that banks allocate capital efficiently, manage risks prudently, and uphold transparency and accountability to stakeholders (Laeven and Levine, 2009). Strong governance is also vital in maintaining trust in financial systems, particularly in the wake of global financial crises that exposed the dangers of weak oversight and excessive risk-taking (Kirkpatrick, 2009). The Basel Committee on Banking Supervision (2015) has consistently emphasised the role of governance in safeguarding systemic stability and protecting depositors.

Despite its importance, international banking governance faces several challenges. A key difficulty lies in balancing global regulatory standards with national contexts, as differences in institutional capacity and political environments often shape how governance rules are applied (Barth et al., 2013). Furthermore, the globalisation of finance has increased the complexity of oversight, with cross-border banking requiring coordination among multiple regulators, which can be fragmented or inconsistent (Claessens and Yafeh, 2012). Additionally, governance failures often stem from entrenched conflicts of interest between shareholders, managers, and political actors, which can undermine reforms even in highly regulated environments (Adams and Mehran, 2012). These challenges highlight the delicate interplay between global standards and local realities in strengthening bank governance.

Traditional corporate governance focuses on aligning the interests of shareholders and managers to maximize firm value (Jensen & Meckling, 1976). However, bank governance extends beyond shareholder primacy because of the unique nature of banking operations. For instance, banks rely heavily on depositor funds rather than equity and are integral to systemic stability (Zeineb and Mensi, 2018) – hence, this reliance and their position put banks at the centre of financial stability concerns. As such, challenges to banking stability are vital matters not only for banks but also for wider considerations, especially economic ones and their many significant consequences. Nevertheless, banks usually operate with higher leverage than traditional firms and are more susceptible to liquidity and credit risks (Bats and Houben, 2020), which means they must be especially alert to challenges to banking stability. Unlike other corporate entities, banks operate as financial intermediaries, connecting surplus and deficit units in the economy while managing complex risks such as liquidity, credit, and systemic vulnerabilities (Van Greuning and Bratanovic, 2020), which further heightens their importance of effective functioning and outcomes.

These distinctive roles render effective governance in banks a matter critically important – particularly in developing economies, where the banking sector often serves as the backbone of economic activity (Abaidoo et al., 2023). However, governance in banks is uniquely challenging given that besides these many important roles which banks much fulfil their governance also involves the intricate challenge of balancing various stakeholder interests, including those of traditional corporate governance (as mentioned, shareholders and thus the maximization of firm value) with others. These factors and often-differing stakeholder concerns elevate the importance of governance mechanisms in banking, which must therefore also be tailored to address general agency conflicts among their various stakeholders, including regulators, creditors, and depositors, as well as specific ones such as those between shareholders and managers (Avadi et al., 2019). All these present additional serious challenges for governance and to banking stability. Of course, banks must do this while navigating regulatory compliance, financial resilience, and risk management challenges (Zeineb and Mensi, 2018), among many others.

Banks' operational dynamics therefore set them apart from other corporate entities, necessitating tailored governance mechanisms to counteract the many challenges faced and to maintain a certain stability. Failures in governance not only affect individual banks but can also trigger systemic crises, as evidenced by the global financial crisis of 2008 (Van Greuning and Bratanovic, 2020). In developing economies, where financial systems are less resilient, such failures can have devastating consequences for economic stability.

1.1.2 Academic and Policy Discussions on Banks' Corporate Governance

The distinctive role of banks as highly leveraged financial intermediaries, entrusted with safeguarding deposits and facilitating credit allocation, has positioned their governance as a matter of sustained academic and policy concern. Unlike many non-financial firms, banks operate with high leverage, manage systemic risks, and hold a public trust function, which means that weaknesses in governance can have far-reaching economic consequences (Laeven and Levine, 2009).

Given all this and after recent financial crises involving banking failures and even collapses (see 1.1.3), it is unsurprising that corporate governance in the banking sector has emerged as a central focus of academic and policy discussions. Indeed, bank governance has been subject to extensive scholarly debate – particularly regarding its capacity to mitigate systemic risks and promote stability, which is understandable given the pivotal role banks play in economic stability (Ellis et al., 2014; Iqbal et al., 2015). Specifically, Ellis et al. (2014) contend that although reforms have targeted four of the five key pillars of banking operations (i.e. competition, resolution, supervision, and auditing and valuation), less attention has been paid to the fifth one of these, that is, the critical role of governance in shaping systemic risk. These authors propose four measures to strengthen governance: increase the regulatory capital base of banks, reform managerial compensation structures, design credible resolution regimes with mechanisms that allow creditors to absorb losses in the event of stress, and restructure company law to extend control rights beyond shareholders.

By contrast, Iqbal et al. (2015) argue that stronger shareholder oriented governance structures and active boards of directors, while traditionally associated with accountability and performance, may in fact exacerbate systemic risk in financial institutions. This finding challenges the conventional assumption that strengthening shareholder control uniformly enhances stability, instead highlighting the complex and at times paradoxical relationship between governance arrangements and systemic risk in the banking sector.

Furthermore, key debates in bank governance revolve around board composition, CEO duality, and the independence of directors. For instance, some scholars argue that independent directors enhance accountability and strategic decision-making (Brogi and Lagasio, 2019), while others highlight the potential for conflict when directors lack sector-specific expertise (Neifar and Jarboui, 2018). Additionally, questions persist about the role of external auditors and the extent to which they can maintain independence in environments prone to conflicts of interest (Kimani et al., 2021). As a result, regulators increasingly require stronger audit committee mandates, mandatory auditor rotation, disclosure of fees, and restrictions on non-audit services (Basel Committee on Banking Supervision, 2015). At the supervisory level, international standards have been codified in instruments such as the Corporate Governance Principles for Banks (Basel Committee on Banking Supervision, 2015), which outline expectations for board responsibilities, risk culture, and governance structures. National regulators, such as the Bank of Ghana, have translated these into local directives. The Bank of Ghana's Corporate Governance Directive (2018) prescribes detailed rules on board composition, chair independence, residency and fit-and-proper requirements, and enhanced reporting obligations. These developments mark a shift from voluntary codes to prescriptive supervisory rules designed to align governance practice with financial stability objectives (Bank of Ghana, 2018). However, the background to core concerns of this work (e.g. bank governance dynamics and challenges to banking stability) involves banks' effective corporate governance and outcomes, which have much relevance for policy discussions.

Strong corporate governance in banks is essential for mitigating risks, promoting financial stability, and ensuring banks operate in alignment with international standards. Specifically, among many other factors effectively governed banks allocate resources efficiently, optimize profitability, and maximize stakeholder value. Strong corporate governance can also produce effective outcomes. Shahid and Abbas (2019), for instance, emphasize that robust governance frameworks enhance investor confidence, attract foreign investment, and improve institutional performance. The World Bank (2016) similarly identifies sound corporate governance as a crucial driver of sustainable economic growth, increasing access to external capital and reducing borrowing costs in emerging economies. This perspective highlights a critical policy point: governance reform within the banking sector should be viewed not narrowly as a technical regulatory matter but more broadly as integral to wider development objectives. Effective corporate governance frameworks reinforce financial stability, build investor confidence, and support efficient resource allocation across the economy.

In Ghana, these principles have been directly reflected in the regulatory response to the 2017–2018 banking crisis. The Bank of Ghana's Corporate Governance Directive (2018) introduced far-reaching requirements, including stricter rules on board composition, tenure limits for chief executives, and mandatory risk management systems. These measures were designed to address weaknesses in governance that had contributed to the collapse of several banks, such as Capital Bank and UT Bank, whose failures revealed the systemic risks of political interference and poor oversight. By embedding governance standards into statutory regulation, the reforms sought to restore confidence in the sector and align Ghana's banking system with global policy prescriptions, thereby reinforcing the World Bank's argument that sound governance is central to sustainable financial and economic development.

Both more broadly and within Ghana, then, banks' corporate governance has garnered various academic debates, especially because of the practical implications of failing to address challenges to banking stability and because risks of bank collapses prevail, which can both have profound broader consequences. Given that banks play a fundamental role in financial intermediation (as noted), their governance quality also has far-reaching implications for economic development. Conversely, governance failures heighten systemic risks, as poorly governed banks are more vulnerable to inefficiencies, mismanagement, and potential collapse, which in turn destabilizes the broader economy (Stiglitz et al., 2009).

1.1.3 Banking Collapses: Globally and Locally

The worldwide Great Recession that occurred from late 2007 until mid-2009 ushered in profound economic downturns globally, including the 2008 global financial crises and its devastating and well recognised economic impacts around the world. This global financial crisis brought serious problems for and even the collapse of many banks. While other aspects also contributed to what happened, corporate governance and its influence on factors such as risk-taking likewise played a significant role in destabilising banks and causing failures during this time (Laeven and Levine, 2009). The history and recent experiences of global banking failures thus highlights the imperative for strong bank governance. While the expectation is that 'lessons have been learned', various banking failures have still occurred even after this most significant global fianncial crisis and the collapse of many banks globally.

In Ghana, for instance, most significantly has been the Ghana banking crisis between August 2017 and January 2019, about which many have recognised corporate governance as playing a significant role in what happened (e.g. Bank of Ghana, 2019). Specifically, Ghana's numerous prominent bank failures in recent years have shown fundamental governance deficiencies, including insufficient risk evaluation, regulatory violations, and shareholder misconduct (Torku and Laryea, 2021). Example practices include significant shareholders in certain defunct banks (e.g. uniBank Ghana, UT Bank and Beige Bank) allegedly utilising depositor funds to support personal enterprises, demonstrating a severe absence of accountability (Bank of Ghana, 2018; Aboagye and Akotey, 2020). Furthermore, politically driven regulatory choices diminished the independence of the Bank of Ghana (BoG), obstructing its capacity to implement governance norms efficiently (Aboagye and Otieku, 2010). Such and similar failures are not unique, and nor are they a consequence *only* of local corporate governance failures for they also signify overarching difficulties in reconciling global governance systems with local conditions. That said, local conditions and actions usually do play a significant role here.

In the current context of Ghana, key factors concerning such issues, challenges to banking stability, and even the collapse of banks are formal governance mechanisms and informal neopatrimonial networks, besides the interplay between these. Governance lapses, such as exceeding borrower exposure limits and diverting depositor funds for personal gain, for example, reflect both institutional weaknesses and the influence of informal power structures (Torku and Laryea, 2021). Neopatrimonialism exacerbates these challenges by enabling elite interference, which often aligns institutional decisions with personal or political interests rather than regulatory objectives (Nakpodia and Adegbite, 2018). In short, Ghanaian banks suffer from conflict and problematic interplay between formal and informal dimensions, with the latter also inviting particular problems that often play out and usually remain unaddressed, despite regulations and reforms that have endeavoured to address issues.

1.1.4 Regulatory Evidence and Reforms

Globally, regulatory frameworks such as the Basel Accords have been promoted to enhance bank governance, particularly through requirements for capital adequacy, risk-based supervision, and transparency in reporting. These frameworks, supported by international financial institutions such as the World Bank and the IMF, are intended to strengthen regulatory capacity and safeguard financial stability. Nevertheless, their transplantation into African contexts has been uneven. Nakpodia and Adegbite (2018) highlight that weak institutional capacity, entrenched informal networks, and selective enforcement dilute the intended impact of global governance standards across much of sub-Saharan Africa. In practice, many regulatory reforms operate as "symbolic compliance" mechanisms (Bokpin, 2013; Adegbite, 2015), creating the appearance of adherence to international best practice while leaving underlying governance vulnerabilities unresolved.

The Ghanaian case reflects these tensions. Although Ghana has formally adopted several aspects of the Basel framework, the translation of these standards into effective practice has been inconsistent. The governance of the banking sector remains fraught with systemic weaknesses despite successive reforms. The 2017–2019 financial sector clean-up, initiated by the Bank of Ghana, represented the most significant reform intervention since financial liberalisation in the 1980s. It sought to address insolvencies, chronic undercapitalisation, regulatory forbearance, and governance failures that had culminated in the collapse or consolidation of several banks (Bank of Ghana, 2018). While this intervention restored some degree of stability, it also underscored the depth of governance challenges.

Evidence suggests that governance structures within Ghanaian banks remain underdeveloped and inconsistently applied. For example, Amartey et al. (2019) observe that many banks do not fully utilise governance mechanisms such as audit committees, internal audit functions, and external audits as tools to enhance board accountability and ensure oversight of management. Weak monitoring capacity exposes systemic vulnerabilities, reducing the ability of boards to constrain managerial excesses or protect depositor and shareholder interests. Policy recommendations, including the regular rotation of external auditors and the re-election of independent directors, point to a recognition that Ghanaian banks continue to fall short of global best practices.

Although global governance frameworks such as Basel III emphasize governance, risk management, and financial stability, then, their implementation in Ghana is complicated by socio-political and cultural factors. Ghana's banking sector operates within a dual governance framework, where formal mechanisms coexist with informal structures rooted in neopatrimonialism. Neopatrimonialism, characterized by patron-client relationships, loyalty-based networks, and political interference, significantly shapes governance practices. Nakpodia and Adegbite (2018) highlight how clientelism, political patronage, and ethnic affiliations frequently override meritocratic decision-making, thereby reducing the effectiveness of governance structures. Despite global regulatory provisions advocating for skilled and independent directors, these appointments are often influenced by informal networks that prioritize loyalty over expertise. Consequently, the independence of boards is compromised, diminishing their ability to provide effective oversight (Kimani et al., 2021).

Regulatory oversight in Ghana also faces considerable challenges because of these informal influences. Regulatory capture, for instance, occurs when politically connected banks evade scrutiny, which weakens compliance and accountability (Kimani et al., 2021). This weak enforcement of governance standards allows banks to circumvent regulations on insider lending, risk management, and financial transparency, further eroding public confidence in the sector. While institutions like the Bank of Ghana have introduced governance directives to curb these practices, informal power structures often dilute their impact. The inconsistent application of governance regulations creates an environment where compliance varies based on political affiliations and social networks rather than institutional mandates.

Ghana's banking sector has undergone substantial restructuring following the regulatory intervention and financial sector clean-up undertaken by the Bank of Ghana between 2017 and 2019. This exercise was designed to address long standing weaknesses in bank governance, chronic undercapitalisation, elevated levels of non performing loans, and systemic supervisory failures, and resulted in the closure, consolidation, and recapitalisation of several banking institutions alongside the introduction of more stringent capital and governance requirements. While these measures have contributed to improved sectoral stability and resilience in formal terms (Bank of Ghana, 2022), they simultaneously exposed entrenched structural problems, including weak internal control systems, pervasive related party transactions, and deficiencies in board oversight and accountability.

These developments underscore persistent tensions between global regulatory frameworks and local institutional realities in Ghana. International standards such as the Basel Accords provide an important reference point for banking regulation and reform; however, their effectiveness in the Ghanaian context is constrained by limited regulatory capacity, uneven enforcement, and the influence of neopatrimonial practices that shape decision making within banks and supervisory institutions. At the same time, global regulatory models often insufficiently account for local political, institutional, and socio economic conditions, resulting in reforms that are formally adopted but only partially internalised in practice. The resulting misalignment between global prescriptions and local governance dynamics highlights structural incompatibilities that continue to undermine the effectiveness of banking regulation and reform.

Against this background, Ghana constitutes a compelling empirical setting for examining the interaction between formal regulatory frameworks and informal governance practices within the banking sector. The coexistence of formal governance mechanisms with enduring neopatrimonial influences provides a rich context for critical inquiry into the limits of regulatory transplantation and the conditions under which governance reforms translate into substantive change. Moreover, Ghana's ongoing efforts to strengthen corporate governance codes and supervisory oversight position the country as a valuable case for understanding the design, implementation, and outcomes of governance reforms in resource constrained environments.

1.1.5 Africa/Sub-Saharan Africa and Ghana: Contexts and Banking

The governance of banks in Africa, and particularly in Sub Saharan Africa, cannot be understood in isolation from the broader political and institutional environment within which financial institutions operate. Across much of the continent, governance systems are characterised by the coexistence of formal regulatory frameworks with entrenched informal norms of patronage and clientelism, a dynamic often conceptualised through the lens of neopatrimonialism (Kelsall, 2013; Sigman, 2017). While international frameworks such as the Basel Accords emphasise transparency, prudential oversight and capital adequacy, their application in Sub Saharan Africa has frequently been constrained by weak regulatory capacity, selective enforcement, and the pervasive influence of informal political networks (Nakpodia and Adegbite, 2018; Barth et al., 2013). This institutional dualism means that formal adoption of international standards often amounts to symbolic compliance, leaving underlying structural weaknesses unaddressed (Bokpin, 2013).

The implications for the banking sector are significant. Empirical evidence indicates that banks in Sub Saharan Africa remain highly vulnerable to insider lending, related party transactions, and regulatory forbearance, with supervisory agencies sometimes lacking the independence or resources to act decisively (World Bank, 2023; Aboagye, 2020). These vulnerabilities are exacerbated by broader macroeconomic instability, resource dependence, and socio political pressures that create incentives for political interference in financial markets. Thus, governance reforms in the banking sector face persistent obstacles arising not only from technical capacity gaps but also from the embedded political economy of the region.

Ghana provides a particularly relevant case study within this context. As the first Sub Saharan African country to gain independence in 1957, Ghana has long been positioned as a bellwether for political and economic reform in Africa. With a population of over 32 million and a resource dependent economy reliant on cocoa, gold and oil, the country is exposed to the volatility of global commodity markets, creating both opportunities for growth and vulnerabilities to external shocks (World Bank, 2025). These structural pressures highlight the critical role of the banking sector as a vehicle for financial intermediation and economic resilience.

The 2017 to 2019 Ghanaian banking crisis, during which the Bank of Ghana revoked the licences of several banks and implemented a comprehensive sectoral clean up, starkly exposed the governance deficiencies underpinning the financial system. The crisis was fuelled not only by insolvency and liquidity challenges but also by poor governance practices including weak board oversight, inadequate risk management, and pervasive related party lending (Bank of

Ghana, 2018). While reforms introduced in the aftermath including the Corporate Governance Directive 2018, tighter fit and proper tests for directors, and enhanced supervisory scrutiny represented important steps towards strengthening oversight, gaps remain in practice. Studies have shown that audit committees are often underutilised, internal control systems remain fragile, and informal political influences continue to undermine regulatory enforcement (Amartey et al., 2019).

Thus, while Ghana's banking reforms demonstrate alignment with international standards, their effectiveness has been limited by the persistence of informal political and institutional dynamics. This reflects a broader reality in Sub Saharan Africa: governance challenges in banking are not only technical but also structural, rooted in the interplay between formal regulatory design and the neopatrimonial practices that pervade political and economic life. Addressing these challenges requires a more holistic approach to reform, one that strengthens institutional independence and transparency while also confronting the informal networks that sustain governance weaknesses in the sector.

1.1.6 Competing Theoretical/Conceptual Perspectives and Challenges

Corporate governance research has traditionally relied on a number of dominant theoretical lenses. Among the most prominent is agency theory, which addresses the principal–agent problem that arises when managers (agents) pursue objectives that may diverge from those of shareholders (principals). The theory assumes that information asymmetries and self-interest can encourage opportunistic behaviour by managers, thereby necessitating mechanisms of control, such as independent boards, performance-linked compensation, and external audits (Jensen and Meckling, 1976; Shleifer and Vishny, 1997). Agency theory has been particularly influential in shaping regulatory frameworks in banking, where boards are tasked with mitigating excessive risk-taking and ensuring management accountability.

A complementary perspective is stakeholder theory, which broadens the scope of corporate governance beyond shareholders to include other key actors such as employees, customers, regulators, creditors, and local communities. According to this view, effective governance requires balancing competing interests to promote long-term sustainability and legitimacy (Freeman, 1984; Donaldson and Preston, 1995). In banking, stakeholder theory is particularly relevant given the fiduciary responsibility banks hold in safeguarding deposits and ensuring financial stability, functions that directly affect the wider economy (Mallin, 2019).

While these theories remain central to global debates on corporate governance, their limitations in the African context have been widely recognised. Both agency and stakeholder theories assume relatively strong institutions, robust legal enforcement, and arm's-length relationships between regulators, firms, and political actors. However, in much of sub-Saharan Africa, including Ghana, governance structures are embedded in socio-political dynamics that do not conform neatly to these assumptions. Weak institutional capacity, the prominence of informal networks, and the frequent politicisation of decision-making dilute the predictive power of agency and stakeholder approaches when applied in isolation (Adegbite et al., 2013).

In response to these limitations, this study adopts neo patrimonialism as its primary theoretical framework. Neo patrimonial theory conceptualises governance systems as arenas where formal institutions coexist with, and are often subverted by, informal networks of clientelism, patronage, and personalised authority (Erdmann and Engel, 2007; Kelsall, 2013). In practice, this means that while Ghana has adopted global standards such as the Basel Core Principles and the Bank of Ghana's 2018 Corporate Governance Directive, the functioning of these frameworks is frequently undermined by informal power relations. Appointments to boards or regulatory bodies may be determined not by professional merit but by loyalty to political elites. Lending decisions may prioritise connected clients over creditworthy borrowers. Regulatory forbearance may be granted selectively to politically affiliated banks.

Empirical evidence supports the relevance of this framework. In Ghana, the banking crisis of 2017 to 2019 was exacerbated by widespread related party lending, poor board oversight, and weak enforcement of prudential rules, often linked to political connections (Bank of Ghana, 2019; Aboagye and Akotey, 2020). Similarly, in Kenya, Kimani et al. (2021) show how informal political networks curtailed the independence of boards, undermining the capacity of governance systems to enforce accountability. Von Soest (2022) further demonstrates that formal reforms across African states often remain superficial in contexts dominated by neopatrimonial practices, where elites use institutions primarily to sustain patronage networks.

There remains significant debate in the literature regarding the extent to which traditional theories can be adapted to African contexts. Some scholars argue that agency theory can still provide explanatory power if broadened to include political principals and informal agents, thereby accounting for elite capture (Atugeba and Acquah-Sam, 2024). Others contend that stakeholder theory is better suited to contexts where banks serve developmental as well as commercial functions, but stress that it must be reconceptualised to acknowledge the role of informal actors such as political patrons and ethnic constituencies (Osei-Tutu et al., 2020). However, both perspectives converge on the recognition that without integrating the neopatrimonial dimension, theoretical accounts of bank governance in Africa risk being incomplete.

By adopting neo patrimonialism as its central lens, this study is able to explain why Ghanaian banks, despite operating under seemingly robust regulatory frameworks, continue to face governance breakdowns. It situates governance failures not simply in weak board independence or misaligned incentives, as agency theory might suggest, nor solely in the neglect of broader stakeholder responsibilities, as stakeholder theory would argue, but in the deep entrenchment of informal political and economic networks that distort the functioning of formal institutions.

1.2 Motivations and Problem Statement

The motivations for this research are several: practical problems regarding issues with bank governance, challenges to banking stability, and risks of bank failures and collapses, especially within the nuanced context of Ghana; theoretical shortcomings regarding neopatrimonialism generally and its often overlooked significant influence in certain contexts; and lack of understanding regarding Ghana and Ghanaian banking in particular. Another concerns how all these factors currently relate and integrate very poorly within academia and policy, which limits positive outcomes and tempts negative ones. Finally, on a personal level, this research is informed by my sustained engagement with Ghana's financial sector, which has afforded me first hand insight into the everyday tensions between formal rules and informal practices and has shaped my commitment to producing analytically grounded and context sensitive scholarship capable of contributing to more effective bank governance outcomes.

Despite many warning signs, real-life case studies to learn from, and broad and local reforms to address issues, Ghanaian banks are still experiencing challenges to banking stability (besides to efficiency and effectiveness) and remain at risk of collapse if such are not addressed. Bank collapses would likely have significant implications throughout the country (and even beyond) and for Ghanaian citizens. Core sources of such issues include a lack of understanding: of practical banking aspects, challenges to banking stability, and significant risks to banks; of neopatrimonialism and its relevance for Ghanaian banking, especially regarding its interplay with formal aspects; and of this dual structure (formal and informal) of Ghanaian banking generally. Currently, all these have not been comprehensively or even adequately addressed, and without doing this and subsequently using what emerges accordingly for actionable policy recommendations then shortfalls in understanding will likely continue while practical problems and real-life risks will likely persist.

1.3 Research Gaps

While global frameworks like Basel III offer general governance standards and global agencies deliver global banking regulations and reforms (as noted in 1.1.4), their application in various nuanced settings is often problematic. Despite this, the various issues with such applications and diverse incompatibilities of the global and local remain largely unresolved. This research thus considers how these global actions are constrained by the socio-political realities that influence governance structures in developing economies and certain settings, exploring solutions to such fundamental misalignment of global governance systems with local conditions.

Similarly, despite the well-documented governance challenges in Ghana's banking sector the extant literature provides limited insights into the specific systems and structures underpinning bank governance in Ghana and similar countries. Much of the research on corporate governance in banking focuses on advanced economies and/or formal regulatory frameworks, offering limited understanding of how governance operates in contexts shaped by both formal and informal institutions. Consequently, two more overarching gaps in the literature concern detailed focuses on developing economies but also informal networks and relationships in terms of corporate governance, which this research endeavours to fill.

More specifically, there are gaps concerning how formal governance mechanisms interact with informal networks to shape governance and governance outcomes, and there is a dearth of research on such in African (see below) but especially Ghanaian banks. This research seeks to bridge this latter gap by examining the interplay between formal governance structures and informal neopatrimonial practices in Ghana. By examining how governance operates within this dual framework, the study seeks insights into the effectiveness of existing governance mechanisms in fostering transparency, accountability, and financial stability.

In relation to Ghana and its banking sector, significant gaps remain in scholarly and policy understanding, which this study examines in depth in order to advance context specific knowledge. A central dimension of this enquiry involves a critical appraisal of governance reforms introduced following the 2017–2019 banking sector clean up, which exposed deep rooted institutional weaknesses in supervision, corporate governance, and risk management (IMF, 2019; Bank of Ghana, 2018). The study therefore evaluates whether these reforms, both individually and collectively, have been effective in strengthening bank governance and financial stability, and where limitations persist, interrogates the institutional and political factors that account for these outcomes.

More broadly, the Ghanaian focus of the study centres on corporate governance within the banking sector and the persistent gaps in its design, enforcement, and practice. This research addresses these gaps by examining the interaction between Ghana’s dual banking structure, evolving banking dynamics, and informal networks and relationships that shape governance outcomes in practice. With respect to banking stability, the study gives particular attention to challenges such as politically connected lending, weak board oversight, regulatory forbearance, and the accumulation of non performing loans. These governance failures have been widely identified as key drivers of bank fragility and recurrent banking crises in developing and emerging economies, including those in sub Saharan Africa (La Porta et al., 2002; Beck et al., 2013; Cull et al., 2018).

Underlying this focus on corporate governance and Ghana specific institutional features is the concept of neopatrimonialism, which constitutes the central theoretical lens of this thesis. Neopatrimonialism is employed to explain how informal power relations, patronage networks, and personalised authority coexist with, and frequently undermine, formal rules and regulatory frameworks, producing governance systems that are formally compliant but substantively weak (Bratton and van de Walle, 1997; Erdmann and Engel, 2007).

From a theoretical perspective, important gaps remain in the literature on neopatrimonialism. While the concept has been extensively applied to political systems and public sector governance, its relevance for financial institutions, corporate governance, and regulatory effectiveness remains underexplored (Erdmann and Engel, 2007; Pitcher et al., 2009). Existing studies offer limited insight into how neopatrimonial logics shape board behaviour, supervisory enforcement, and risk taking in banking systems. This study addresses this gap by extending neopatrimonial analysis into the domain of bank governance, demonstrating its explanatory value for understanding persistent governance failures and banking instability in Ghana.

As this study’s pervasive theoretical concern, neopatrimonialism is a means of examining all this study’s main focuses and plugging all the research gaps. In other words, it is relevant to the global and local debates, developing economies, corporate governance, Ghana and Ghanaian banking, governance dynamics and challenges to banking stability, and the dual structure of formal and informal banking mechanisms, besides other aspects. Regarding the abovementioned gap concerning Africa and African banks (how formal governance mechanisms interact with informal networks to shape governance and governance outcomes), this study extends the existing body of literature by integrating neopatrimonial theory with contemporary debates on bank governance in Africa. While previous research such as Bokpin (2013), Kimani et al. (2021), and Nakpodia et al. (2020) has critically examined the inadequacies of transplanting global governance frameworks into African contexts, significant gaps remain. Specifically, these studies often overlook the granular ways in which informal networks, patron-client relationships, and socio-political dynamics directly influence governance processes within banks. Much of the current literature tends to treat governance as a predominantly formal and institutional process, underestimating the embeddedness of political and social affiliations in decision-making. The current research addresses these gaps by empirically exploring via neopatrimonialism how these informal structures manifest in Ghana’s banking sector, thereby offering a more context-sensitive understanding of governance. In doing so, the study not only contributes to theoretical advancements in corporate governance discourse and in various understanding but also offers practical implications for strengthening financial sector regulation and resilience in developing economies.

1.4 Research Questions, Aims, and Objectives

In light of these challenges, this study poses the following research questions.

(1) How do formal systems and structures of bank governance in Ghana influence governance practices, challenges to banking stability, and outcomes in banking?

(2) In what ways do informal networks and neo-patrimonial relationships influence governance dynamics, challenges to banking stability, and outcomes in Ghanaian banks?

The overarching research aim concerns providing empirical insights into and furthering understanding about the factors shaping corporate governance in Ghanaian banks. This particularly focuses on how neopatrimonialism interacts with formal governance structures to influence banking performance and outcomes, bank governance dynamics, and regulatory compliance as well as challenges to banking stability (and responses to these). More practically, an ultimate aim concerns using what emerges to provide actionable policy recommendations to improve corporate governance and bank dynamics, address challenges to banking stability, and improve banking outcomes.

The main objectives of this research are as follows:

(1) To examine how the formal governance structures and institutional frameworks in Ghanaian banks contribute to corporate governance effectiveness, bank governance dynamics, and banking actions (e.g. responses to stability challenges).

(2) To investigate how informal networks and neo-patrimonial influences shape governance practices, bank governance dynamics, decision-making, and actions within Ghana's banking sector.

1.5 Scope of the Study

Situated broadly within banking and bank governance, this study's focused context is that of Ghana and Ghanaian banking. Although Ghana is its main geographic focus, the study also looks at sub-Saharan Africa and Africa more broadly. Likewise, although Ghanaian banking is its focus the study also looks at banking in sub-Saharan Africa, wider Africa, and globally.

Its particular topics of concern within bank governance cover challenges to banking stability and governance dynamics, especially those dynamics between formal (e.g. formal governance structures) and informal (e.g. informal power networks) aspects besides their interplay, while also considering regulatory responses by regulators. The participant scope of the analysis involves 49 particular interviewees (bank executives, regulatory officials, and industry experts) from specific institutions such as the Bank of Ghana, commercial banks, and banking consultants. Additionally, this primary data is supported by secondary documentary data (deriving from banking sector reports and regulatory documents). The timeframe for the analysis covers pre-and post-2017 reforms, which includes the passing of the new banking Act 930 in 2016, corporate governance code 2018 and the corporate governance disclosure directives (2020).

Theoretically, the focus is on neopatrimonialism as informal networks and related relationships are a prominent feature of the research, though where needed and appropriate other theories will be touched on such as agency theory. In fact, neopatrimonialism and informal relationships are core and pervasive elements of the research. Indeed, examining how patron-client relationships, informal networks, and personalised politics influence the behaviour and decision-making of bank directors and stakeholders including regulators means this research can provide a deeper understanding of the challenges facing banks (e.g. to their stability, risks of collapse) and of bank governance in Ghana. Neopatrimonial theory thus offers a nuanced understanding of these concerns but also facilitates the policy aspect of this work. That is, it is by addressing the interplay between governance structures, informal networks, and regulatory frameworks that this research fulfils its policy scope by developing context-specific strategies for strengthening corporate governance in Ghana's banking sector and even that of others beyond this country.

By extension, the study also contributes to the broader literature on governance in other neo-patrimonial societies, particularly by highlighting the ways in which informal networks can undermine formal regulatory frameworks and hinder the effectiveness of governance reforms. Through this lens, the study offers a comprehensive analysis of how neo-patrimonialism shapes bank governance and its effects on financial stability, accountability, and transparency in the Ghanaian banking sector. By adopting an interpretive lens, this study contributes to the growing body of research challenging the dominance of positivism in accounting and governance studies. Scholars such as Chua (1986) and Hopper and Bui (2016) have called for alternative paradigms that better address the socio-political dimensions of governance. This study responds to these calls by demonstrating how the interpretive paradigm can provide a nuanced understanding of governance practices, particularly in settings shaped by the interaction of formal mechanisms and informal dynamics, as seen in Ghana's banking sector. As noted, the core scope is Ghana and Ghanaian banking; however, the research also has implications for broader contexts.

1.6 Structure of the Thesis

This thesis is structured into eight chapters, each contributing to a comprehensive understanding of bank governance the broader framework of neopatrimonial dynamics in Ghana. Chapter One introduces the research by providing a detailed background on the topic, establishing the significance of the study, and presenting the central research questions. Chapter Two undertakes an extensive review of the existing literature on bank governance, categorizing it into key thematic areas and identifying gaps that this study seeks to address, thereby framing its unique contributions.

Chapter Three outlines the theoretical framework of neopatrimonialism, which serves as the foundation for the study's analysis. This framework captures the nuanced dynamics revealed through interviews and secondary data, demonstrating its relevance to governance issues in Ghana. Chapter Four details the qualitative research methodology adopted for the study, including the research philosophy and reflections on fieldwork experiences.

Chapter Five examines the dynamics of bank governance reforms in Ghana, particularly focusing on the tension between formal regulatory frameworks and the influence of neopatrimonial structures. Chapter Six presents the internal and external governance mechanisms identified during the empirical phase of the study, analyzing how these mechanisms are shaped by both formal and informal factors. Chapter Seven engages with theoretical discussions on bank governance in Ghana, linking the findings back to broader academic debates.

Chapter Eight shifts focus to the study's contributions to theory, methods, and policy. It begins by summarizing the key findings and demonstrating how the research advances theoretical understanding, particularly in relation to neopatrimonialism and its impact on bank governance in Ghana. The chapter also discusses the methodological contributions of the research, emphasizing the value of the qualitative approach used to explore the complexities of informal networks in governance. Finally, the chapter outlines the implications for policy, offering insights into how regulatory frameworks and bank governance reforms in Ghana can be strengthened in light of the findings. The study's contributions to theory, methods, and policy provide a foundation for future research and practical reforms in bank governance in Ghana.

2. CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter critically appraises literature on bank governance, doing so broadly as background but periodically and ultimately focusing on the African context and Ghana in particular. As such, there are two aspects to this structure. First, it applies to the chapter overall, which unfolds by examining these broader aspects generally while the penultimate section of the main chapter content focuses on Ghana (see 2.4). Secondly, this same structure also generally applies to individual sections, which look at broad aspects but then, while sometimes delivering international contexts and comparisons, often examine the particular context of Africa and/or Ghana. Another structural consideration is that the subject matter of these sections is interrelated so keeping them absolutely distinct is impractical and ineffective (and perhaps impossible); however, each section nevertheless endeavours to focus on its central topic and touch on others only where deemed appropriate. Overall, the chapter's fundamental intentions concern providing context for the study and assessing the current state of knowledge while identifying gaps in extant research related to bank governance in Africa, especially Ghana.

On the various subject matter within, this literature review explores several critical issues surrounding bank governance and works through these accordingly. After this introduction and taking a broad, non-context-specific perspective, the second main section covers unique aspects of bank governance and examines its distinctiveness compared to governance and governance structures in other types of organizations, but it also covers challenges faced by banking institutions. Next, the third section addresses the various mechanisms of bank governance that are relevant for this study. It covers context, culture and religion, which are often in the background yet extremely relevant for bank governance, and both bank and board structure. It also includes bank board composition and its various important aspects – namely personnel and personal qualities, board diversity, bank board size, independent directors, and board appointments. The final main subsection of mechanisms of bank governances addresses the roles of boards of directors in bank governance

This chapter's fourth section gives an overview of bank governance in Ghana, covering the fundamental principles, methods, regulatory frameworks, and enforcement mechanisms that underpin effective bank governance practices in the country. The final main content section of this chapter, the fifth one, identifies gaps in the literature that inform the research questions guiding this study. The chapter concludes with a section that summarises the chapter's key points.

2.2 The Distinctiveness of Bank Corporate Governance and Challenges Faced by Banks

Bank corporate governance is distinct fundamentally because banks occupy a critical position in financial systems and the economy. Indeed, the failure of a single bank can create widespread economic disruptions, a phenomenon known as negative externalities (John et al., 2016). This differs from non-bank firms, where failures are often isolated to specific industries. As such, banks are subject to stricter regulations, including capital adequacy requirements and stress tests designed to ensure they can withstand economic shocks. These regulations, while necessary, introduce tensions in governance as boards must balance compliance with profitability.

Banks also differ from firms in other sectors in terms of their structures and operations (John et al., 2016) – for example, banks are characterised by high leverage and a heavy reliance on depositor funds, engage in maturity transformation by funding long term and illiquid assets with short term liabilities, and operate under implicit and explicit government guarantees such as deposit insurance and access to lender of last resort facilities. These differences influence how bank governance mechanisms are designed and implemented, though researchers also argue that banks require unique governance systems to address their specific risks and to ensure financial stability (Becht et al., 2016; John et al., 2016). These distinctions are thus tied to the nature of banking activities, the composition of their liabilities, and their interconnectedness with the broader financial system and the entire economy at large (Buallay and Al-Ajmi, 2019). However, these features also present challenges that demand careful attention regarding banks' corporate governance.

Another characteristic of banks is their reliance on debt financing, primarily in the form of customer deposits. Banks use these deposits to offer loans and invest in financial instruments, resulting in high leverage (Fama, 1985). This makes banks vulnerable to liquidity and solvency risks, while firms from other sectors, by contrast, rely more on equity financing and face fewer risks tied to leverage. If banks succumb to such risks, then given their noted economic and systemic interconnectedness the fallout can be profound. The impact of a bank's financial distress can thus harm depositors besides more broadly destabilizing the wider financial system and economy. Consequently, regulatory oversight plays a major role in shaping bank governance, doing so in pursuit of liquidity and stability (Barth et al., 2012) while countering challenges to these. An example of this concerns how cash reserve requirements mandate that banks hold a portion of their deposits in reserve. This requirement limits the extent to which banks can fully deploy deposits into lending or speculative activities, thereby enhancing their capacity to meet withdrawal demands, absorb liquidity shocks, and reduce the likelihood of bank runs. In doing so, reserve requirements act as a preventive safeguard against systemic liquidity crises and reinforce confidence in the banking system. Such requirements also influence board decisions and highlight the need for governance mechanisms that emphasize risk management.

Compared to firms from other sectors of the economy, banks are also non-transparent (Bidabad and Sherafati, 2019). Their operations often involve complex financial instruments and off-balance-sheet activities, making it harder for stakeholders, including shareholders and directors, to fully understand the risks involved (Becht et al., 2011). Thus, unlike firms from other sectors, whose operations are often more transparent and straightforward, this opacity and complexity in banking necessitates robust oversight mechanisms. Specifically, boards must adopt strong governance practices, including specialized committees such as audit and risk committees, to assess and manage risks accordingly (Buallay & Al-Ajmi, 2019). However, the complexity of these activities continues to challenge even the most effective governance frameworks (Laeven, 2013).

The stakeholder environment in banks is also more diverse compared to firms from other sectors. In addition to shareholders, banks serve depositors, borrowers, regulators, and the broader financial system (John et al., 2016). These groups have differing interests, and this can lead to governance conflicts. For example, shareholders might push for higher returns while regulators and depositors prioritize safety and stability. Balancing these competing interests is one of the central challenges faced by bank boards, so effective governance mechanisms must consider the needs of all stakeholders – not just those of shareholders.

While the preceding points are standard concerns for banks across all contexts, country-level factors can bring variation and significantly influence localised bank governance. Indeed, research has shown that governance structures are shaped by the legal systems, economic development, and regulatory frameworks of individual countries (La Porta et al., 1998; Aguilera and Jackson, 2003). For example, banks in developing economies often contend with weaker legal systems, corruption, and political interference (Kusi et al., 2022) while banks in developed economies benefit from stronger institutions and more robust regulatory systems (Quaglia, 2014). Contextual influences and concerns are hence important and must be considered.

A more specific examples of this is how Nakpodia and Adegbite (2018) emphasize the role of elites in shaping governance structures within specific country contexts. Elites often wield significant influence over governance practices, which can lead to practices that are tailored to local political and institutional realities. Similarly, Nakpodia et al. (2020) argue that cultural factors also play a critical role in determining governance outcomes (Section 2.3.1 covers cultural and religious influences on bank governance in more detail). These insights highlight the importance of adapting governance mechanisms to the specific economic and institutional environments of different countries while considering other contextual influences on bank governance. Torku and Laryea (2021), for instance, explore governance challenges in African banking systems and identify issues such as weak internal controls, conflicts of interest, and regulatory gaps. These problems are exacerbated by elite influence and political interference, making governance reforms difficult to implement. For example, while banks in Ghana and Nigeria are required to hold 10% of their deposits as reserves, Canadian banks operate under much lower reserve requirements (Shah, 2012). These differences underscore the need for governance frameworks that reflect local conditions and requirements.

While ownership considerations relate to organisations across all sectors, the noted particular aspects of banking add another dimension of distinctiveness to this sector. Furthermore, ownership structures also add another layer of complexity to bank governance (Bokpin, 2013). Concentrated ownership, such as family or state ownership, can lead to conflicts between majority and minority shareholders (Haw et al., 2010). In these cases, controlling shareholders may prioritize their own interests at the expense of others.

A specific sub-form of concentrated ownership is institutional ownership, whereby large organizational investors such as hedge funds or mutual funds purchase a significant number of shares. The relevance of such ownership in the banking context is that as institutional owners these external agents have much say on decision-making and are particularly influential in terms of governance and thus outcomes. Specifically, institutional investors, which also include pension funds and investment firms, frequently promote enhanced governance standards to protect their interests. However, Maama et al. (2019) in their research on institutional investors, corporate governance, and firm performance in Ghana observe that institutional investors in Ghana significantly influence governance procedures, though they also recognise that their positive effect is often mitigated by the concentration of decision-making authority within politically connected boards. This concentration restricts institutional investors' capacity to instigate meaningful reforms, thereby perpetuating governance inefficiencies and reducing accountability. In practice, this form of ownership played a significant role in the collapse of several of the seven banks in Ghana during the 2017–2019 banking crisis. The dominance of concentrated shareholder interests often sidelined independent oversight, weakened board accountability, and facilitated related-party lending, all of which exacerbated financial vulnerabilities and contributed to institutional failure (Bank of Ghana, 2019).

In contrast, dispersed ownership, whereby shares are owned by many shareholders and there is no controlling interest, may counteract such effects of concentrated ownership implementing decisions of self-interest but can invite its own issues. For example, it can dilute accountability and make it harder to monitor management (Barry and Strobel, 2016). Balancing these dynamics is a significant challenge for bank governance but there are other considerations in these. Chakrabarty (2009), for instance, highlights how ownership patterns in family-owned business are often influenced by cultural and institutional factors, further complicating governance practices.

Managerial incentives also play a crucial role in bank governance. Compensation structures influence the behaviour of managers and their willingness to take risks. For instance, incentive systems that prioritize short-term profits can encourage excessive risk-taking, which can have devastating consequences for banks and the financial system. To mitigate this, governance mechanisms should focus on long-term performance and include safeguards against reckless behaviour (Wiseman and Gomez-Mejia, 1998). For example, performance-based pay tied to risk-adjusted metrics can align managerial decisions with the goals of stability and sustainability. However, such safety measures are not always practised as these incentives can encourage pursuance of short-term rewards and this often overrides certain pragmatic concerns.

All these factors and characteristics make banks and banking both complex and distinct from its counterparts in and of other sectors, and these also bring unique features and issues to bank governance. As such, banking and banks have various challenges to their own operation, stability, and outcomes, though its various mechanisms of bank governance are intended to counter these.

2.3 Mechanisms of Bank Governance

Each of the following sections mainly addresses a relevant mechanism of bank governance for this study, though inevitably certain parts link and relate to others. Despite some references to specific countries and areas, including those of concern herein, the section usually does this generally as a background for and a precursor to the subsequent section (2.4), which addresses this study's specific context of concern – Africa and, in particular, Ghana.

2.3.1 Context, Culture, and Religion

On the broader context, research is not done in a vacuum and contextual factors are important to consider. Asia, for instance, is often characterised by governance methods shaped by swift economic advancement and diverse legal frameworks. Specifically in China, governance reforms have been propelled by the state's initiatives to modernise financial institutions. Hung et al. (2017) assert that state ownership and political affiliations frequently undermine the independence of bank boards, hence affecting their capacity to render unbiased choices. However, research from Malaysia and Indonesia in Southeast Asia underscores possible beneficial effects of regulatory reforms on board procedures, especially in improving openness and accountability (Abdullah & Valentine, 2009; Setiawan et al., 2017). Hence, certain contextual effects can be both positive and negative, with the context of concern here having many of the latter. In Africa, bank governance is significantly shaped by socio-political factors and inadequate institutional frameworks. For instance, Ogbechie and Koufopoulos (2010) illustrate how inadequate enforcement of regulatory requirements in Nigeria diminishes board effectiveness. In Kenya, informal networks frequently overshadow official governance structures, affecting board responsibility (Waweru, 2018). These findings correspond with evidence from South Africa, where governance issues arise from unequal power relations and the inconsistent enforcement of corporate governance regulations (Ntim et al., 2012). Overall, these geographical studies highlight the variability in governance methods and the impact of institutional and cultural environments. They emphasise the necessity for customised governance frameworks that tackle region-specific issues while conforming to international best practices, although this can be a difficult balance to attain.

Culture and religion are especially significant contextual concerns here. This work approaches these complex yet significant factors for bank governance in common ways. Specifically, while culture is generally considered a crucial mechanism of bank governance (Sheedy and Griffin, 2018), religion (and indeed other contextual aspects) are generally not deemed to be actual mechanisms (Haridan et al., 2018). However, religion, like other context factors besides culture, is widely recognised as a considerably influential factor of governance and governance mechanisms in certain contexts that needs considering in particular studies, and the current study deems this such an occasion.

As certain cultural elements (e.g. collectivism and individualism but many others as well) influence governance by, for example, moulding the expectations of board members and stakeholders (Hofstede, 1980), culture as a governance mechanism is extremely relevant. Mintz (2005) supported culture's significance when examining corporate governance in an international context and noting that corporate governance systems emerge from cultural norms and other contextual aspects such as legal frameworks. While the author's limited contexts were the UK and United States, the general points are relevant for many others. However, context, especially this cultural influence and culture as a governance mechanism, often manifests differently across different contexts and cultures.

African culture, defined by Ezedike (2016) as a cumulative store of communal attitudes and ethical standards, profoundly impacts government practices. The concept of Ubuntu, emphasising inclusivity, collaboration, and mutual respect, provides a cultural basis for governance in Southern Africa. Mangaliso (2001) contends that Ubuntu's value system fosters consensus-driven decision-making, aligning corporate strategy with broader societal objectives. As noted, religion impacts governance in Africa. Amah (2012) observed that Nigerian society prioritises communal bonds over institutional regulations. While these ideals promote loyalty and unity, they also create opportunities for corruption and nepotism, therefore undermining corporate governance and its mechanisms. Magang and Magang (2017) assessed the influence of the Ubuntu/Botho philosophy on governance in Botswana, emphasising its potential to either promote or hinder compliance with international best practices. They argued that Ubuntu's paternalistic and consensual characteristics could lead to undue influence from influential individuals, so limiting accountability.In Ghana, the broader cultural context provides an important foundation for understanding governance arrangements, including those within the banking sector. A particularly salient cultural feature is the country's neopatrimonial environment, which shapes how authority, accountability, and decision making are exercised in practice. Neopatrimonialism manifests through the coexistence of formal institutional rules and informal relationships based on patronage, loyalty, kinship, and personal trust (Erdmann and Engel, 2007). While formal governance structures such as boards, regulatory frameworks, and accountability mechanisms exist, their operation is frequently mediated by informal networks that influence appointments, access to resources, and enforcement practices (Bratton and van de Walle, 1997; Pitcher, Moran and Johnston, 2009).

This duality between formal and informal governance reflects deeper cultural norms that place strong value on social obligation, reciprocity, and respect for authority, which can both support and undermine institutional effectiveness. On the one hand, these norms facilitate cooperation and trust within organisations; on the other, they can weaken impersonal rule enforcement and enable discretionary practices that conflict with formal governance requirements (Helmke and Levitsky, 2004). In the context of banking, this tension is particularly consequential given the sector's reliance on transparent decision making, prudential discipline, and effective oversight. As such, Ghana illustrates the broader challenge faced in many African contexts of reconciling inherited and imported governance models with enduring local norms and practices, a dynamic that has direct implications for the design and functioning of bank governance mechanisms. This cultural backdrop provides an essential context for the more detailed analysis of Ghana's banking institutions and reforms developed in subsequent sections.

2.3.2 Bank Structure and Board Structure

Corporate governance in banking operates across multiple structural layers, making it analytically necessary to distinguish between the organisation of the bank as an institution and the internal configuration of the board as its apex governance body (Macey and O'Hara, 2003; Adams and Mehran, 2012). *Bank structure* refers to the formal allocation of authority, accountability, and control among shareholders, the board of directors, executive management, and internal control functions that collectively support prudential behaviour and financial stability (Basel Committee on Banking Supervision, 2015; Van Greuning and Bratanovic, 2020). *Board structure*, by contrast, concerns how the board itself is organised to discharge its strategic and monitoring responsibilities, including leadership arrangements, the balance between executive and non executive directors, and the delegation of oversight functions to specialised committees such as audit and risk committees (Hopt, 2013; Adams and Mehran, 2012).

Within banking systems, boards occupy a dual role. They are responsible for setting strategic direction while simultaneously monitoring management performance, risk exposure, internal controls, and regulatory compliance. This dual responsibility is particularly salient in banking because governance outcomes affect not only shareholders but also depositors, regulators, and the wider financial system, rendering bank governance a matter of systemic importance (Van Greuning and Bratanovic, 2020). In Ghana, governance arrangements largely follow a single tier board model, consistent with Anglo Saxon traditions, in which a unitary board combines strategic and oversight functions and delegates day to day management to the chief executive officer and senior management team.

By contrast, a two tier board structure, common in several European jurisdictions, formally separates oversight and management through distinct supervisory and management boards. The rationale underpinning this model is to strengthen monitoring by institutionally separating executive decision making from supervisory control. Its effectiveness, however, depends critically on clarity of roles and the quality of communication between tiers (Bezemer et al., 2014). Although the two tier model has featured in corporate governance debates in Ghana, it is not widely adopted in Ghanaian banking practice (Kyerboah Coleman and Biekpe, 2006). Consequently, the central analytical issue for this thesis is not whether Ghana has adopted a two tier system, but whether the unitary boards that exist are structured and empowered in ways that enable effective oversight, particularly in contexts where informal influence may undermine formal governance arrangements.

Board structure choices are further shaped by external pressures arising from globalisation, technological change, and international regulatory frameworks, which have increased expectations that bank boards possess specialised expertise in areas such as risk management, compliance, digital transformation, and crisis governance (Atuahene et al., 2019; Van Greuning and Bratanovic, 2020). However, governance research cautions against assuming that formal structures automatically translate into effective oversight. Ekanayake, Sorour and Soobaroyen (2025) demonstrate that in developing country banking contexts, formal governance arrangements may be selectively enacted and strategically managed, resulting in compliance in form without corresponding discipline in practice. This insight is particularly relevant for Ghana, where formal governance reforms coexist with informal practices that shape how structures operate in reality.

More broadly, empirical research on bank governance suggests that board structure does not exert uniform effects across contexts. Adams and Mehran (2012) show that in complex banking organisations, larger boards may sometimes enhance performance by providing broader expertise and advisory capacity, although these benefits may diminish as boards become excessively large. Similarly, Hermalin and Weisbach (2003) observe that links between board attributes and performance are often weak or context dependent, highlighting the importance of institutional and behavioural conditions.

Crucially, the effectiveness of bank governance depends on the interaction between *structure* and *composition*. The structural makeup of boards, including leadership arrangements and committee systems, together with their composition, which encompasses individuals and their personal qualities (see Section 2.3.3.1), as well as board size (see Section 2.3.3.2), board diversity (see Section 2.3.3.3), and directors' independence or otherwise (see Section 2.3.3.4), profoundly influences boards' capacity to perform their strategic and monitoring functions effectively (Adams and Mehran, 2012). These interrelated dimensions are examined in detail in the sections that follow.

2.3.2.1 Bank Board Subcommittees

A defining feature of board structure in banks is the extensive use of **board subcommittees**, which exist because banks are information intensive, risk sensitive institutions. Committees allow boards to allocate oversight to specialised groups that can engage with complex issues in greater depth than is usually possible in the full board forum (Sun and Liu, 2014). The most important committees in banking governance are typically the **audit committee** and the **risk committee**, though governance, nominations, and remuneration committees may also be significant depending on the regulatory framework.

Audit committees oversee financial reporting integrity, internal controls, and the relationship with external auditors. Risk committees focus on risk appetite, risk monitoring, and the adequacy of risk management systems. When boards fail to empower these committees, banks can become more exposed to operational breakdowns and financial losses because weak controls and poor risk discipline are not identified early enough (Akwaa Sekyi, 2020). The effectiveness of committees depends on member expertise, independence, and the authority to challenge management decisions, not merely their formal existence (Malik, 2014).

The relevance of committees is also illuminated by the argument in Ekanayake et al. (2025) that bank corporate governance can be subverted through selective application of formal structures. Committees may exist, meet, and produce documentation, yet fail to constrain risk taking if their membership, independence, or agenda setting is shaped by informal influence. This means that committee design should be seen as both a structural governance matter and a behavioural governance matter. In Ghana, where governance reforms often emphasise formal compliance with committees and board requirements, the key governance challenge becomes whether committees are capable of exercising substantive oversight rather than procedural compliance.

2.3.3 Bank Board Composition

While board structure concerns how boards organise their work, board composition concerns who sits on the board and what qualities they bring. Composition is central to governance effectiveness because it shapes the board's knowledge base, independence, challenge capacity, and ability to oversee risk and strategy. However, the literature also notes that relationships between board composition variables and performance can be inconsistent, partly because banks are heavily regulated and governance choices may be constrained or shaped by regulatory and institutional pressures (Hermalin and Weisbach, 2003; Adams and Mehran, 2012).

This thesis treats composition as multi dimensional. The most important dimension concerns the personnel themselves and their personal qualities, addressed in Section 2.3.3.1. However, composition also includes board size, diversity, and director independence, which are covered in subsequent subsections. This layered approach is important in banking contexts where technical competence, independence, and contextual legitimacy all shape board functioning.

2.3.3.1 Personnel and Personal Qualities

The qualities of individuals on bank boards matter because banking governance is technically demanding and strongly shaped by risk, compliance, and systemic responsibility. Across contexts, effective bank directors are often expected to bring finance and risk expertise, regulatory awareness, and the ability to exercise independent judgement. Evidence from Asian banking contexts suggests that many banks prioritise directors with deep competence in finance and risk management, reflecting the complexity of modern regulatory environments (Singhania et al., 2022). This is also relevant for Ghana, where banking sector reforms and supervisory expectations place increasing emphasis on risk oversight and prudential governance (Boachie, 2023).

However, board member qualities cannot be understood outside their socio political environment. In many African contexts, board appointments can be influenced by elite networks and political power, which can weaken merit based selection and compromise independence (Nakpodia and Adegbite, 2018). Kopecký (2011) similarly documents how political patronage and clientelist practices can shape appointments, affecting governance credibility and exposing organisations to reputational and operational risks. In Ghana, formal regulatory efforts seek to protect board effectiveness through minimum criteria and governance requirements (Bank of Ghana, 2020), yet informal political influence can still distort board recruitment and reduce the likelihood that technical competence is the dominant selection criterion.

This matters because banking governance requires directors to challenge management, demand credible risk information, and resist pressure for imprudent lending or weak controls. Where appointments are driven by loyalty rather than competence, governance becomes less able to provide meaningful oversight. The broader governance literature supports this: directors with strong financial sector education and experience are often better placed to engage with complex risk and compliance demands (Berger et al., 2014). Abdul Gafoor et al. (2018) similarly underline the value of financial expertise for strengthening governance quality. Evidence from

Ghana also suggests that boards with stronger banking knowledge and professional competence are associated with better compliance and strategic decision making (Li et al., 2020).

Beyond conventional expertise, technological capability is increasingly relevant. Digital banking and data driven risk systems mean boards also require some level of digital literacy or access to such competence within the boardroom, as governance increasingly involves oversight of cyber risk, digital strategy, and technology enabled controls (Atuahene et al., 2019). At the same time, personnel selection interacts with other governance priorities, including diversity and independence, which can create trade offs. This is one reason the thesis separates the discussion of personal qualities from later subsections on size, independence, and diversity.

Finally, emerging evidence from developing economy settings reinforces the importance of understanding personnel qualities alongside informal governance realities. Molla, Islam and Rahaman (2023) show that corporate governance structures and bank performance relationships are shaped by context, suggesting that the effects of governance attributes depend on how they operate within local institutional conditions. In a similar spirit, Ekanayake et al. (2025) caution that governance roles can be subverted through informal practices that shape how directors behave, not just who they are. For Ghana, this underscores why board personnel qualities must be analysed together with the informal institutional pressures that may weaken the exercise of those qualities in practice.

2.3.3.2 Board Diversity and Bank Governance

Board diversity has become a central theme in contemporary corporate governance discourse, particularly in banking, where governance failures carry systemic consequences. Diversity on bank boards is commonly associated with improved decision making, enhanced monitoring, and better risk governance through the inclusion of varied perspectives, experiences, and cognitive frames (Shleifer and Vishny, 1997; Adams and Ferreira, 2009). In banking contexts characterised by complexity and uncertainty, such diversity is argued to strengthen boards' capacity to challenge management and mitigate excessive risk taking (Vallelado and García Olalla, 2022).

Empirical evidence from Ghana provides growing support for these claims. Musah et al. (2022) find that board characteristics, including gender diversity, significantly influence bank risk taking behaviour in Ghana, with more diverse boards associated with more prudent risk profiles. Similarly, Boachie (2023) shows that board diversity interacts with ownership structure to affect bank performance, suggesting that diversity enhances governance effectiveness when aligned with appropriate institutional controls. Extending this analysis, Ofori Sasu et al. (2022) demonstrate that board gender diversity contributes to improved disclosure practices during banking crises across Africa, indicating that diversity can strengthen transparency and accountability under stress conditions.

Evidence from Nigeria further reinforces the governance relevance of board diversity. Okoyeuzu et al. (2021), using a system GMM approach, show that gender diverse and independent boards are positively associated with bank performance, supporting the argument that diversity enhances monitoring effectiveness and reduces managerial opportunism. These findings are consistent with broader international evidence suggesting that diverse boards are better equipped to process complex information and balance competing stakeholder interests (García Meca et al., 2015; Fiador, 2023).

However, the literature also cautions against assuming automatic benefits from diversity. Carter et al. (2003) argue that diversity must be embedded within inclusive governance cultures to translate into effective participation and improved outcomes. In African banking contexts, entrenched socio political and cultural norms may limit the substantive influence of diverse directors, particularly women, even where formal representation exists (Nakpodia and Adegbite, 2018). This helps explain why some Ghanaian banks continue to experience constrained diversity outcomes despite regulatory encouragement (Bank of Ghana, 2020).

Moreover, tensions can arise between diversity objectives and traditional emphases on financial expertise and sector specific experience. While financial competence remains critical for bank boards (Adams and Mehran, 2012), excessive homogeneity in professional backgrounds may narrow cognitive perspectives and reduce boards' adaptability, particularly in areas such as digital transformation and emerging risks. Rather than treating expertise and diversity as competing priorities, the literature increasingly points towards the value of what may be described as "focused diversity", where boards combine technical competence with heterogeneity in gender, experience, and perspective (Vallelado and García Olalla, 2022).

Overall, board diversity emerges not merely as an issue of representation or fairness but as a governance mechanism whose effectiveness depends on institutional context, regulatory enforcement, and boardroom dynamics. In Ghanaian banking, realising the governance benefits of diversity requires both structural reforms and cultural shifts that enable diverse directors to exercise genuine influence over strategic and risk related decisions.

2.3.3.2 Bank Board Size

The size of the board has been a central topic of much discussion in corporate governance literature. Academics have emphasised the merits and drawbacks of both extensive and compact boards. Expansive boards typically offer a broader array of expertise, experience, and viewpoints. While some say this improves decision-making and risk management procedures (Kyerboah-Coleman and Biekpe, 2007; Vallelado & García-Olalla, 2022), others contend that increasing broad size does not in turn improve results as excessively big boards may encounter coordination challenges and protracted decision-making. While there may also be greater opportunities for conflict and counterproductive clashing, from another perspective and with different dynamics greater board sizes can increase susceptibility to groupthink, as identified by Pathan and Skully (2010) in the United States. Both such outcomes can be significantly problematic, so while larger sizes increase human resources this does not necessarily bring about efficient and effective outcomes. Kyerboah-Coleman and Biekpe, (2006) discovered that in Ghana banks with boards of moderate size, consisting of 10 to 15 members, attained superior governance outcomes owing to a balance of varied perspectives and effective coordination.

In contrast, smaller boards are frequently lauded for their agility and coherence. Pathan and Skully (2010) contend that smaller boards enhance decision-making efficacy through improved communication and heightened accountability. However, a smaller board may be deficient in the requisite mix of skills and knowledge needed to address the intricate difficulties of banking governance, especially in emerging economies such as Ghana (Kyerboah-Coleman and Biekpe, 2006). This underscores the necessity of customising board size to the distinct requirements and strategic goals of each institution, as a universal approach is inadequate.

In sum, board size also matters for the effectiveness of bank governance. Larger boards may enhance oversight by providing a wider range of expertise, experience, and perspectives, which is particularly valuable in complex and highly regulated banking environments. However, overly large boards can face coordination difficulties, weaker individual accountability, and slower decision making. Conversely, smaller boards may operate more efficiently but risk lacking the breadth of skills required to manage risk, regulatory compliance, and strategic complexity (Krause et al., 2020).

Empirical evidence supports the need for balance rather than uniform prescriptions. Abdul Gafoor et al. (2018) argue that an appropriately calibrated board size strengthens monitoring and decision making, especially when members possess financial and risk management expertise. Boards that are either too small or excessively large may therefore undermine governance effectiveness.

In the Ghanaian context, Adu Amoah et al. (2008) further show that boards serve as a critical interface between internal governance arrangements and external institutional, political, and social pressures. From this perspective, board size influences a bank's capacity to respond to regulatory demands and stakeholder expectations. Taken together, these insights suggest that effective board size should be context specific, reflecting institutional, cultural, and organisational conditions rather than adherence to universal benchmarks.

2.3.3.3 Independent Directors in Banks

Independent directors occupy a central position in bank governance by strengthening board oversight, constraining managerial dominance, and safeguarding the interests of shareholders, depositors, and regulators. Their role is particularly significant in banking, where high leverage, complex risk profiles, and systemic implications heighten the need for effective monitoring. As noted in Section 2.3.2, company directors are generally classified as executive directors, who are full time employees involved in daily operations, and non executive directors, who are not engaged in management activities. Independent directors fall within the latter category and are distinguished by the absence of material financial, professional, or personal ties that could compromise their judgement (Fama and Jensen, 1983).

Empirical evidence from emerging economies underscores the importance of board independence in improving governance outcomes. Mayur and Saravanan (2017), examining banks in India, identify board independence and the frequency of board meetings as critical factors influencing governance performance. Their findings suggest that independence is most effective when accompanied by active engagement and regular board deliberation, indicating that formal independence must be supported by behavioural commitment. Together, these insights reinforce the view that independent directors play a vital monitoring role, but their effectiveness depends on both structural positioning and the intensity of board processes.

According to Fama and Jensen (1983), their autonomy enables the protection of minority shareholders, the preservation of company integrity, and the scrutiny of management actions. This function is particularly vital in the banking industry due to its dependence on efficient governance to reduce risks and maintain stability. These directors are also often seen as essential for ensuring accountability (Fogel et al., 2021), as Boachie (2023) in research specifically on corporate governance and financial performance of banks emphasised the significance of independent directors in fostering accountability. They thus make various specific contributions that can complement those of their counterparts such as providing a somewhat detached unbiased oversight. As with other factors, and again despite commonalities, there can be both commonalities and variations across countries, contexts and cultures.

Studies from Europe and the United States highlight the crucial function of independent directors in improving governance and bank performance. Adams and Mehran (2012) analyse the relationship between board governance and performance using a sample of banking firm data that spans 34 years and discovered that banks with a greater percentage of independent directors demonstrated enhanced risk management and financial robustness. Vallelado and García-Olalla (2022) noted that European banks with strong independent governance frameworks exhibited greater resilience during financial crises. The findings underscore the significance of maintaining director independence to promote accountability and reduce risks, while cautioning against excessive dependency on independence without institutional knowledge, as seen by Adams and Ferreira (2007).

In Asia, however, governance frameworks provide distinct barriers to director autonomy. Dinh et al. (2019) in their research on Asian family firms through corporate governance and institutions discovered that independent directors frequently encounter limitations imposed by entrenched family ownership arrangements, which restrict independent directors' ability to operate impartially. Wu and Dong (2021) noted that in China, despite legislation requiring independent directors, their decision-making ability is limited. These issues correspond with observations from Africa, where socio-political factors often compromise director independence. In South Africa and Nigeria, for instance, Afolabi (2015) observed that cultural expectations and socio-political allegiances diminish the autonomy of independent directors, especially in Nigeria.

The Ghanaian banking sector offers a valuable framework for assessing the efficacy of independent directors. Musah and Adutwumwaa (2021) in their study on the effect of corporate governance on financial performance of rural banks in Ghana found that banks with a greater percentage of independent directors achieved enhanced governance results, especially in risk management and compliance. They highlighted that independent directors in Ghanaian rural banks enhance decision-making by offering varied perspectives and ensuring accountability. Nonetheless, these benefits are sometimes diminished by socio-political and cultural influences that jeopardise director autonomy. Appiah et al. (2020) emphasised situations in which independent directors encountered pressures to conform to the interests of dominant shareholders or political elites, thereby undermining their capacity to act impartially using the case of UT bank in Ghana.

The regulatory framework in Ghana exacerbates the complexities faced by independent directors. The Bank of Ghana requires their inclusion; however, the criteria for independence remain unclear. This regulatory deficiency permits the selection of directors who may seem independent in documentation yet are closely affiliated with institutional insiders, which often loses such things in this context as the aforementioned detached unbiased oversight independent directors ideally offer. Kyereboah (2021) contend that more rigorous independence standards, along with improved regulatory scrutiny, are vital to resolve this issue and bolster governance in Ghanaian institutions.

Neopatrimonial dynamics introduce an extra layer of complexity in Ghana, especially in situations where informal power networks frequently overshadow formal institutional structures. Hopper (2017) characterised neopatrimonial systems as those where personal relationships and patronage prevail over institutional institutions. In Ghana, these dynamics are evident in the selection of ‘independent’ directors (see next section on board appointments) who may have strong affiliations with political or economic elites. Kyereboah (2015) observed that such nominations frequently lead to conflicts of interest (one of the very things, according to Fogel et al. (2021), that independent directors are more broadly deemed essential for reducing), as in such instances directors' allegiance to patrons compromises their capacity for impartial monitoring. This dynamic is intensified by cultural norms that prioritise deference to authority, constraining directors' readiness to confront management or dominant shareholders. Similarly and elsewhere in Africa, Nakpodia and Adegbite (2018) illustrated how political elites in Nigeria leverage institutional holes to manipulate governance by using three main influencers – namely, political influence, political authority and political immunity – to undermine governance effectiveness

The interaction between independent directors and neopatrimonialism underscores the necessity for precise definitions of independence when examining Ghana and similar contexts. As noted above, Fama and Jensen (1983) assert that independent directors must be devoid of financial, professional, or personal affiliations that could jeopardise their objectivity. In Ghana, given the cultural background and neopatrimonialism in particular this requires enhanced regulatory supervision and cultural transformations that emphasise merit-based nominations rather than patronage. While enhancing these measures can augment the efficacy of independent directors and elevate governance outcomes in the banking sector, they are often undermined early on with board appointments.

Further evidence is provided by Abdul Gafoor et al. (2018), who examine the relationship between board independence, governance quality, and financial performance in banks. They find that a higher proportion of independent directors is positively associated with stronger governance practices and improved financial performance, particularly through enhanced monitoring of management and more disciplined risk oversight. However, they also caution that the benefits of independence diminish where independent directors lack the expertise, authority, or institutional support necessary to challenge executives effectively. This finding reinforces the view that independence must be substantive rather than symbolic.

2.3.3.4 Board Appointments

Given all the significant aspects of board composition considered in this section, a key factor of this thus involves board appointments given the effectiveness of bank governance is closely tied to the roles of boards of directors (see 2.3.4) and executive management. Boachie (2023) underscores that governance quality depends on independent and competent boards that prioritize accountability and risk oversight. However, political patronage and socio-cultural factors often influence board appointments, undermining meritocratic principles. For instance, Kimani et al. (2021) examine the influence of political dynamics on corporate governance in Kenya, revealing how board appointments are often influenced by political allegiances rather than merit or professional qualifications, which can counter aspects such as personnel and personal qualities, board diversity and especially director. Their study highlights the resulting erosion of board independence and effectiveness. Likewise, Nakpodia and Adegbite (2018) explore the broader sociocultural underpinnings of corporate governance in Nigeria, demonstrating how entrenched cultural norms, the influence of political elites, and religious affiliations shape governance behaviours, boardroom dynamics, and board appointments.

Adu-Amoah et al. (2008) in their study on the influence of social and political relations on corporate governance systems in Ghana using rural banks also demonstrated that political patronage frequently affects board appointments, hence questioning the genuine independence of directors. In Ghana, shareholder rights and directors' responsibilities are enshrined in governance codes that promote transparency, but enforcement remains inconsistent (Ofoeda et al., 2016). All these studies underscore a common pattern across sub-Saharan Africa, where formal governance structures are often undermined by informal and politically embedded practices – notably concerning board appointments here although, as demonstrated throughout via neopatrimonialism and similar practices, this dynamic pervades many facets of governance.

While the adoption of governance standards aligned with international benchmarks, such as the OECD Principles of Corporate Governance, has contributed to improved transparency and accountability in banks, formal alignment alone has proven insufficient to guarantee effective governance outcomes (OECD, 2015). Beyond codes and principles, bank governance is shaped by a broader configuration of external and internal mechanisms that jointly influence behaviour and enforcement.

2.3.4 Regulatory Frameworks, Regulation(s), and Agencies

The Bank of Ghana serves as the principal regulatory and supervisory authority for banking institutions in Ghana, with its functions characterised by a dual duty to uphold adherence to banking rules and maintain systemic stability. Overall, the Bank of Ghana leads Ghana's regulatory framework, and it oversees many aspects such as licensing, supervision, and enforcement of prudential standards (Boachie, 2023). Amenu-Tekaa (2022) contend that the Bank of Ghana's regulatory measures, including the 2017 banking sector changes, have enhanced governance standards by imposing more stringent requirements for board composition and operations. Nevertheless, they warn that enforcement is still patchy, especially in smaller financial institutions.

Aboagye and Otieku (2010) observe that Ghana's regulatory frameworks prioritise openness, accountability, and financial resilience. Nonetheless, these objectives are frequently compromised by political meddling and institutional inefficiencies (Donnir and Tornyeva, 2024). Regulatory capture, in which powerful entities distort enforcement to safeguard their vested interests, continues to pose a considerable difficulty. For instance, Abdallah (2015) notes that regulatory capture by politically affiliated firms diminishes the integrity of monitoring agencies. Also, Liedong and Rajwani (2018) note that banks with political connections frequently avoid oversight, thereby undermining the regulatory framework. As the Bank of Ghana establishes the criteria for capital sufficiency, risk management, and corporate governance within the banking industry, these issues can have profound consequences. Bokpin (2016) in his research on bank governance and regulation in Ghana asserts that these regulatory frameworks and specific regulations aim to foster stability and accountability. Nonetheless, given that the implementation of these legislation frequently encounters considerable obstacles, especially such political interference and insufficient institutional ability, inverse consequences such as instability and poor or lack of accountability often result.

The ramifications of these governance systems are significant for the stability of Ghana's banking sector. The coexistence of informal practices with formal governance institutions generates systemic vulnerabilities that compromise financial stability and diminish public trust. Regulatory systems must adapt to these complexities by integrating global best practices with local contextual realities. By aligning governance procedures, promoting diversity, and enhancing institutional monitoring, Ghanaian banks can refine their governance frameworks and bolster the long-term sustainability of the financial sector.

The Basel III standards and other global regulatory frameworks have profoundly impacted Ghana's banking sector. Jones (2020) assert that the implementation of these frameworks has established rigorous risk management protocols, especially within major institutions. Nonetheless, the practical application of these standards frequently faces opposition due to perceived discrepancies with local conditions. This illustrates a wider conflict noted by Amanamah (2017) between the worldwide demand for rigorous regulatory standards and the distinct circumstances of developing economies, where smaller banks encounter disproportionate difficulties in fulfilling capital requirements.

In the African setting, regulatory regimes typically emphasise the preservation of capital sufficiency and the mitigation of systemic risks. Triki et al. (2017) discovered that whereas stronger laws enhance openness, they simultaneously create difficulties for smaller institutions, diminishing their competitiveness. The Bank of Ghana's clean-up of the banking industry has resulted in the consolidation of smaller banks that failed to satisfy the increased capital criteria (Poku and Frimpong, 2017). These regulatory initiatives enhanced overall stability, but they did so at the expense of diminished financial inclusion. Adeyemo (2021) on bank regulation in Africa using Nigeria posits that differentiated regulation, customised according to the size and risk profile of banks, may mitigate these issues and foster a more equitable banking landscape.

The aforementioned dual function of central banks as regulators and supervisors in numerous African nations, including Ghana, adds more difficulties. Adeyemo (2021) contends that this dualism may engender conflicts of interest and regulatory deficiencies. Conversely, sophisticated economies frequently allocate these functions across distinct entities. In the United Kingdom, to briefly cite a comparative example for Ghana, the Bank of England, Prudential Regulation Authority, and Financial Conduct Authority function independently. This paradigm provides clarity but has faced criticism for regulatory deficiencies (James and Quaglia, 2019). The Ghanaian example indicates that improving coordination between regulatory and supervisory functions may alleviate these issues without requiring a fundamental reform.

Transparency and public accountability are essential elements of effective regulation. Hoque et al. (2015) discovered that heightened transparency diminishes systemic risks and bolsters public confidence in the banking system. This finding corroborates Amenu-Tekaa (2022), who noted that enhanced openness in Ghana’s banking industry bolstered depositor confidence and stimulated foreign investment as well as enhancing the sector’s performance in solvency and profitability. Digital technologies like blockchain have been suggested to improve transparency and reduce corruption (Udeh et al., 2024). Incorporating these technologies into Ghana's regulatory framework could enhance enforcement procedures and elevate governance results.

Public accountability holds particular importance in Ghana, where socio-political elements frequently overlap with regulatory processes. The "Big Man" culture, marked by the centralisation of authority in prominent figures, can compromise regulatory autonomy and enforcement which made it possible for some banks to excessive shareholder control and non-compliance of regulation (Torku and Laryea, 2021). The patronage dynamics inherent in Ghanaian society frequently result in selective enforcement, whereby politically connected banks are afforded preferential treatment. Torku and Laryea (2021) contend that tackling these socio-political factors is essential for enhancing regulatory systems.

Again to use a useful comparative example here, Asia provides significant insights for Ghana on proactive oversight and risk-based regulation. Nataraj and Ashwani (2018) contend that stress testing and scenario analysis are critical instruments for improving regulatory supervision and equipping banks for economic disruptions. Torku and Laryea (202) underscore the significance of public accountability in mitigating systemic risks. Adopting these strategies in Ghana could augment the Bank of Ghana's ability to detect and address possible vulnerabilities inside the banking system.

The equilibrium between regulation and economic growth is another major topic of discourse. Effective regulation guarantees financial stability, which is crucial for cultivating investor confidence and encouraging foreign direct investment (Ackah and Asiamah, 2016). Excessively severe laws can hinder innovation and restrict access to funding, especially for small and medium-sized firms (SMEs). Nyarku and Oduro (2018) noted that whereas reforms in Ghana's banking industry enhanced stability, they concurrently diminished lending accessibility for SMEs, underscoring the necessity for balanced regulatory interventions.

Empirical research from Africa highlights the necessity of customising regulatory regimes to local situations. Triki et al. (2017) discovered that rules aimed at transparency and pricing controls disproportionately impact smaller banks, diminishing their efficiency. This phenomenon is reflected in Ghana, where smaller banks frequently encounter difficulties in adhering to regulatory standards, resulting in market concentration. Plagge (2014) proposes that tailored regulatory strategies, addressing the distinct requirements of various banking institutions, may alleviate these issues.

The global amalgamation of macroprudential policies with conventional regulatory approaches has demonstrated efficacy in mitigating systemic hazards. Giese et al. (2013) underscore the significance of macroprudential policies in bolstering resilience against economic shocks. This methodology is pertinent to Ghana, as economic volatility frequently intensifies vulnerabilities inside the banking system. By embracing a macroprudential approach, the BoG may enhance its regulatory capabilities and bolster the sector's resilience to external shocks.

The interplay between legislation and technological progress also merits consideration. Abhishek et al. (2024), who interviewed a sample of 482 professionals from the accounting, auditing and academic sectors. emphasise the capacity of digital tools to enhance regulatory compliance. The implementation of digital technology in Ghana may improve transparency, optimise compliance procedures, and cultivate trust in the financial sector. This corresponds with international trends highlighting the incorporation of technology into regulatory frameworks.

This assessment indicates that although regulatory frameworks in Ghana have advanced in recent years, considerable issues persist. Socio-political factors, resource limitations, and the intricacies of reconciling global norms with local conditions persistently diminish the efficacy of bank regulation. Addressing these problems necessitates a sophisticated strategy that combines global best practices with an awareness of Ghana's distinct regulatory environment. By customising regulatory frameworks to the distinct requirements of the banking sector and utilising technology innovations, Ghana can improve the efficacy of its regulatory systems and promote a more stable and inclusive financial environment. This is particularly important given that Ghana still faces significant challenges in its bank governance.

2.3.5 Bank Governance and its challenges in Ghana

Bank governance in Ghana has undergone substantial transformation over the past three decades, shaped by financial sector reforms, regulatory strengthening, and the gradual adoption of international governance standards (Antwi-Asare and Addison, 2000; Ackah and Asiamah, 2016). These developments have contributed to periods of improved stability, performance, and innovation within the banking sector (Li et al., 2020; Torku and Laryea, 2021).

Nevertheless, despite these advances, governance challenges remain deeply embedded, particularly those linked to weak enforcement, political interference, and the interaction between formal governance frameworks and informal socio-political practices (Damette and Kouki, 2022; Torku and Laryea, 2021). Understanding these dynamics is essential for explaining why governance reforms have produced uneven outcomes and why banking stability has periodically remained fragile (Ackah and Asiamah, 2016).

Early financial sector reforms played a foundational role in improving bank governance in Ghana. Antwi-Asare and Addison (2000) document how liberalisation and prudential reforms in the 1990s enhanced efficiency, clarified regulatory responsibilities, and strengthened supervisory oversight. These reforms improved financial intermediation and helped formalise governance structures, especially through clearer capital requirements and reporting obligations. Subsequent studies suggest that these institutional changes created conditions under which banks could professionalise management and improve internal controls.

Empirical literature also points to notable governance successes within Ghana's banking sector. Appiah-Adu and Boachie (2017), examining Fidelity Bank, show how disciplined governance, entrepreneurial leadership, and strategic focus contributed to sustained growth and resilience. Their study demonstrates that effective governance is achievable in Ghana when formal structures are supported by capable leadership and organisational commitment. Similarly, Yahaya (2009) finds that the adoption of balanced scorecard systems by Ghanaian banks enhanced strategic alignment, performance monitoring, and managerial accountability, strengthening internal governance processes.

The integration of Ghanaian banks into international capital markets has further supported governance improvements. Mmieh and Owusu-Frimpong (2009) illustrate how cross-border listing requirements enhanced disclosure practices and transparency, compelling banks to adopt higher governance and reporting standards. Exposure to external scrutiny and investor expectations reinforced accountability mechanisms and professional norms. More recent evidence supports these positive trends. Li et al. (2020) find that stronger governance arrangements, including improved board oversight and risk management frameworks, are positively associated with banking stability among universal banks in Ghana. Nsiah (2019) similarly shows that banks with stronger governance structures perform better and are less likely to experience failure.

Despite these improvements, a substantial body of literature highlights persistent governance weaknesses. Agyemang, Aboagye and Ahali (2013) identify weak enforcement of governance codes, limited board effectiveness, and regulatory capacity constraints as enduring challenges. These weaknesses reflect a gap between formal governance provisions and their practical implementation. Political interference remains a recurring concern. Adu-Amoah et al. (2008), focusing on rural banks, identify political influence in board appointments and lending decisions as a major governance problem. Although their study centres on rural banks, similar dynamics have been observed in commercial banking institutions, suggesting that political entanglement is a systemic issue rather than a sectoral anomaly.

The severity of these governance failures became evident during Ghana's banking sector crisis of 2017–2019. Torku (2020) and Torku and Laryea (2021) document how insider lending, weak board oversight, poor risk management, and regulatory forbearance contributed to the collapse of several banks. These studies reveal that many distressed banks formally complied with governance codes while simultaneously engaging in practices that undermined prudential stability. Osei et al. (2019) further identify excessive risk-taking, weak internal controls, and failures of board monitoring as central contributors to the collapse of major banks. Collectively, this literature underscores that governance failures were systemic rather than isolated incidents.

A recurring theme across studies is the interaction between internal governance mechanisms and external regulatory frameworks. Internal mechanisms such as board oversight, audit committees, and risk management systems are designed to align managerial behaviour with institutional objectives. However, their effectiveness is strongly influenced by the regulatory environment and broader socio-political context. Damette and Kouki (2022), drawing on evidence from 50 African countries including Ghana, demonstrate that political influence and informal networks significantly weaken the relationship between governance structures and banking performance. Boards often struggle to exercise independent judgement, while regulators face constraints in enforcing compliance due to political and elite pressures.

Although the Bank of Ghana has introduced detailed governance codes addressing board structure, capital adequacy, and risk management, enforcement challenges persist. Ackah and Asiamah (2016) argue that regulatory reforms have improved transparency but have not eliminated informal practices that undermine governance standards. Amoako and Goh (2015) similarly note that formal rules regarding board independence and accountability are frequently compromised by entrenched power relations. Hinson et al. (2009) observe that personal relationships and patronage networks can supersede formal governance procedures, weakening accountability and eroding trust in regulatory enforcement.

These persistent challenges are often interpreted through the lens of neopatrimonialism. Cieslewicz (2014) argues that in environments characterised by strong loyalty networks, institutional priorities are frequently subordinated to personal obligations. In Ghana, the coexistence of formal governance frameworks and informal power structures creates a dual governance reality. Official regulations promote transparency, accountability, and risk discipline, while informal practices based on political affiliation and personal loyalty shape actual decision-making. This duality generates tensions between internal and external governance processes and helps explain why reforms often yield compliance in form rather than in substance.

Empirical studies of board effectiveness in Ghana reinforce this interpretation. Agyemang and Castellini (2013) find that boards with a higher proportion of independent directors are more effective in monitoring management and mitigating risk. However, they also show that director independence is frequently weakened by informal pressures, limiting the practical impact of formal board reforms. This suggests that governance effectiveness depends not only on structural design but also on the socio-political incentives shaping board behaviour.

Beyond financial stability, governance challenges in Ghana's banking sector raise important ethical concerns. Koomson and Danquah (2021) emphasise that ethical banking practices are essential for sustaining public trust and promoting financial inclusion. Ethical lapses such as corruption, self-dealing, and weak disclosure undermine depositor confidence and impose significant social and fiscal costs. The banking crisis highlighted how governance failures translated into public bailouts and loss of confidence, reinforcing the need for governance frameworks that prioritise integrity and accountability alongside profitability.

Despite these challenges, the literature also identifies significant opportunities for strengthening bank governance in Ghana. Transparent and merit-based recruitment processes for board members and executives can reduce political interference and enhance oversight effectiveness (Langa and Langa, 2022). Strengthening regulatory capacity and reducing regulatory forbearance can improve enforcement credibility. Hopper et al. (2016) argue that governance reforms are more effective when global standards are adapted to local institutional realities rather than transplanted wholesale. Bokpin (2016) similarly stresses the importance of context-sensitive governance reforms in developing economies.

Technological innovation offers additional tools for improving governance. Digital reporting systems and real-time monitoring platforms can enhance transparency, reduce information asymmetries, and support regulatory oversight (Lassou and Hopper, 2016). Integrating international frameworks such as Basel III with local supervisory practices can further strengthen risk management and resilience in the banking sector.

Overall, the governance of banks in Ghana reflects a dynamic interplay between regulatory reform, institutional capacity, and informal socio-political influences. While notable progress has been made, persistent challenges such as political interference, weak enforcement, and ethical lapses continue to undermine governance effectiveness. The literature demonstrates that improving bank governance requires more than formal compliance; it demands alignment between internal governance mechanisms, external regulatory frameworks, and the informal institutional context in which banks operate. Addressing these challenges through integrated, context-aware reforms is essential for strengthening banking stability, restoring public trust, and supporting sustainable economic development in Ghana.

2.4 Gaps in the Literature on Corporate Governance of Banks

A substantial body of literature has examined corporate governance in banking, both globally and within developing and emerging economies. In the African context, scholars such as Tsamenyi and Uddin (2008), Agarwal et al. (2013), Ntim and Soobaroyen (2013), Ahmed and Uddin (2018), Nakpodia and Adegbite (2018), and Kimani et al. (2021) have provided important insights into governance mechanisms, regulatory frameworks, and institutional constraints. However, while this literature has significantly advanced understanding of corporate governance in Africa more broadly, critical gaps remain in relation to the governance of banks in Ghana specifically, particularly when viewed through the interaction of formal governance structures and informal socio-political practices.

A dominant limitation in the existing literature is its strong emphasis on formal governance arrangements. Most empirical studies on Ghanaian bank governance focus on board structures, board size, audit committees, ownership concentration, CEO duality, and compliance with regulatory requirements (Bokpin, 2013; Boachie, 2021). While these studies generate valuable evidence on the design and outcomes of formal governance mechanisms, they tend to treat governance as a technical and institutional process, largely abstracted from the socio-political environments in which banks operate. As a result, governance is often assessed in terms of compliance with international standards rather than how governance actually functions in practice.

This narrow focus creates a significant omission: the limited engagement with informal governance dynamics, particularly neopatrimonialism. Neopatrimonialism refers to the coexistence of formal bureaucratic institutions with informal systems of patronage, loyalty, and personalised power (Erdman, 2016). Although neopatrimonialism is widely discussed in

African political economy and public administration scholarship, its specific implications for bank governance in Ghana remain underexplored. Where informal practices are acknowledged, they are often treated as background contextual factors rather than as central mechanisms shaping governance outcomes.

Existing studies on Ghanaian banks frequently analyse internal governance variables such as board independence, non-executive director representation, and managerial incentives (Bokpin, 2013; Boachie, 2021). However, these analyses rarely examine how board appointments, monitoring effectiveness, and strategic decision-making are influenced by political affiliations, elite networks, or clientelist relationships. Hopper (2017) argues that informal power relations can undermine accountability and weaken formal oversight mechanisms, yet empirical evidence linking these dynamics directly to Ghanaian bank governance remains scarce. Moreover, the literature has not sufficiently interrogated whether all forms of neopatrimonialism are uniformly detrimental, or whether some informal practices may coexist with, or even stabilise, governance arrangements under certain conditions. This ambiguity represents an important conceptual and empirical gap.

Another limitation arises from the tendency to separate formal and informal governance frameworks analytically. Studies by Ntim and Soobaroyen (2013) and Uddin and Choudhury (2008), while offering valuable comparative insights from African and South Asian contexts, largely examine governance structures without systematically analysing how formal rules interact with informal pressures within specific banking environments. Kimani et al. (2021) provide evidence from Kenya showing how neopatrimonial networks shape corporate governance outcomes, yet comparable Ghana-focused banking studies are limited.

Consequently, there is insufficient understanding of how informal networks influence accountability, performance, and risk governance in Ghana's banking sector.

The sectoral specificity of banking further amplifies these gaps. Banks differ from non-financial firms due to their systemic importance, high leverage, opacity, and reliance on public confidence (Pathan and Faff, 2013; Barth et al., 2013). Despite this, much of the African governance literature examining informal institutions focuses on non-financial firms or public sector organisations (Lassou and Hopper, 2016). In Ghana, where banks play a critical role in financial intermediation and economic stability, there is limited research examining how informal socio-political influences affect bank-specific governance functions such as lending decisions, capital adequacy, and strategic risk-taking.

Risk management represents a particularly underdeveloped area in the Ghanaian governance literature. Although international research highlights the centrality of board oversight in risk governance (Agarwal et al., 2021), few Ghana-focused studies examine how informal pressures intersect with risk management processes. This omission is notable given the 2017–2019 banking crisis, which revealed governance failures linked to insider lending, weak credit controls, and politically connected borrowers. The extent to which neopatrimonial dynamics influenced board level risk oversight and regulatory responses remains insufficiently explored.

Similarly, the role of external governance mechanisms, especially regulatory supervision, has not been adequately examined in relation to informal influence. While Ghana has implemented extensive regulatory reforms and strengthened the mandate of the Bank of Ghana, enforcement effectiveness is often constrained by political interference and regulatory capture (Amenu-Tekaa, 2022). Although Nakpodia and Adegbite (2018) demonstrate how elite influence weakens regulatory enforcement in Nigeria, comparable empirical assessments of how external governance mechanisms mitigate or fail to mitigate informal influence in Ghanaian banking are limited. This represents a further gap, particularly given the central role of regulation in banking stability.

Overall, the literature reveals a fragmented understanding of bank governance in Ghana. Formal governance structures are well documented, but their interaction with informal socio-political practices remains insufficiently theorised and empirically examined. There is limited integration of political economy perspectives into bank governance research, particularly with respect to board behaviour, risk oversight, and regulatory enforcement. Addressing these gaps is essential for explaining why governance reforms have produced uneven outcomes and why formal compliance has not always translated into effective governance or banking stability.

This study responds to these gaps by examining bank governance in Ghana through the combined lenses of formal governance frameworks and informal institutional dynamics. By focusing on how neopatrimonial practices intersect with board structures, risk management, and regulatory oversight, the research seeks to contribute a more contextually grounded understanding of governance in Ghanaian banks and to extend corporate governance theory in developing economy banking contexts.

2.5 Chapter Summary

This chapter has critically reviewed the literature on corporate governance in banking, with particular emphasis on Ghana and comparable African contexts. It has shown that banks occupy a distinct governance space due to their systemic importance, opacity, and role in financial intermediation, which makes effective governance essential not only for shareholders but also for depositors, regulators, and the wider economy. As a result, bank governance requires analytical approaches that go beyond generic corporate governance models.

The review demonstrates that existing scholarship has largely concentrated on formal governance mechanisms, including board structures, board composition, audit and risk committees, ownership arrangements, and regulatory frameworks. These studies provide valuable insights into how governance design influences accountability, performance, and stability. However, the literature remains predominantly structural and compliance oriented, offering limited explanation of how governance operates in practice within Ghana's socio-political environment.

A central contribution of this chapter is the identification of a major gap concerning the interaction between formal governance frameworks and informal institutional dynamics. Ghanaian banks operate within a context characterised by political interference, clientelism, and patronage networks, which frequently shape board appointments, decision-making processes, and regulatory enforcement. While such dynamics are widely acknowledged in African political economy scholarship, their specific implications for bank governance in Ghana remain insufficiently explored in the corporate governance literature.

The chapter further highlights the pivotal role of bank boards as the apex governance mechanism responsible for strategy, risk oversight, and regulatory compliance. Although the literature emphasises board size, independence, diversity, and expertise as key determinants of effective governance, evidence from Ghana suggests that these mechanisms are often weakened by informal influences that undermine board autonomy and accountability. Similar challenges extend to external governance arrangements, where regulatory frameworks exist but enforcement is constrained by political pressures and regulatory capture.

Overall, the chapter establishes that current research provides an incomplete understanding of bank governance in Ghana by prioritising formal structures while underestimating the influence of informal practices. In particular, the literature lacks integrated analysis of how neopatrimonialism interacts with board governance, risk management, and regulatory oversight to shape banking outcomes. These gaps justify the need for a more contextually grounded investigation that examines governance as a dynamic process shaped by both formal rules and informal power relations.

By synthesising these debates and identifying unresolved issues, this chapter provides the conceptual and empirical foundation for the subsequent chapters. It positions the thesis to contribute to the literature by offering a deeper understanding of governance failures and resilience in Ghanaian banks, with implications for theory, policy, and practice in developing economy banking systems.

3. CHAPTER THREE:

THEORETICAL FRAMEWORK

3.1 Introduction

This chapter develops the theoretical foundations underpinning the analysis of bank governance through the lens of neopatrimonialism. It situates bank governance in Ghana within broader debates on informal authority, institutional functioning, and accountability in developing economies. The chapter traces the origins and evolution of neopatrimonialism, examines its global relevance, and analyses its manifestation in African contexts before applying the framework specifically to Ghanaian banking governance. By integrating historical, socio-political, and institutional perspectives, the chapter provides a coherent conceptual basis for understanding how informal power relations interact with formal governance arrangements to shape bank governance practices and financial stability in Ghana. Section 3.5 concludes the chapter by summarising the key theoretical insights and their relevance for the empirical analysis that follows.

3.2 Mainstream/Conventional Governance Theories

Mainstream corporate governance theory has for decades been dominated by two complementary perspectives: agency theory, which focuses on conflicts between dispersed owners (principals) and managers (agents), and stakeholder theory, which broadens the firm's responsibilities to include creditors, customers, employees and society at large. Both theories provide useful analytical tools for examining bank governance in Ghana, yet each faces limitations when applied to a political economy characterised by neo patrimonialism, where personalised authority and clientelistic relations coexist with formal institutional frameworks (Bratton & van de Walle, 1994).

Agency theory assumes that managers are self-interested and prone to opportunistic behaviour unless constrained by effective monitoring and incentive alignment (Jensen & Meckling, 1976; Eisenhardt, 1989). From this perspective, good bank governance requires independent boards, performance linked remuneration, concentrated and active ownership, rigorous external auditing and strong regulatory oversight. Empirical studies on Ghanaian banks demonstrate the relevance of this framework. Mensah and Abor (2013) show that managerial incentives and ownership structures influence bank interest spreads, suggesting rent extraction in contexts of weak monitoring. Similarly, Amartey et al. (2019) find that although Ghanaian banks formally comply with internationally recognised governance codes, such as board committees and non-executive directors, these mechanisms often lack practical effectiveness. Agency theory therefore provides a valuable baseline for identifying governance weaknesses in Ghanaian banks, particularly those relating to managerial discretion and inadequate oversight.

Nevertheless, the explanatory power of agency theory is constrained in a neo patrimonial context. The theory presumes that formal rules are credibly enforced and that governance mechanisms operate independently of political influence. In Ghana, however, political appointments to bank boards, politically connected lending and regulatory forbearance reflect the embeddedness of banking institutions within patronage networks (Bratton & van de Walle, 1994). Evidence from Ghana and comparable African contexts suggests that imported governance reforms may be selectively applied or symbolically adopted to satisfy regulators while informal power relations continue to shape decision making (Amartey et al., 2019; Kimani et al., 2021). As such, agency-based reforms remain necessary but insufficient, as they underestimate the extent to which political incentives override formal governance structures.

Stakeholder theory offers a broader normative lens by arguing that firms should balance the interests of all stakeholders rather than prioritising shareholder wealth alone (Freeman, 1984). Applied to banking, this perspective is particularly salient, given banks' fiduciary responsibilities to depositors and their systemic importance to economic stability. In Ghana, recent banking sector crises underscore the consequences of governance failures for depositors, employees and the wider economy, thereby strengthening the case for a stakeholder-oriented approach to governance (Amartey et al., 2019).

However, the application of stakeholder theory in a neo patrimonial setting also encounters significant challenges. While Ghanaian banks increasingly engage in corporate social responsibility initiatives and stakeholder disclosure, empirical evidence suggests that these practices may function more as legitimacy seeking strategies than as mechanisms for redistributing power or enhancing accountability (Essilfie, 2023). In environments where political elites and connected business actors enjoy privileged access to financial resources, stakeholder claims are unevenly enforced. Less powerful groups, such as small depositors and informal sector borrowers, often lack the institutional capacity to assert their interests effectively. Consequently, stakeholder governance frameworks risk being captured or rendered largely performative (Kimani et al., 2021).

For this study, these observations carry two important implications. First, agency theory and stakeholder theory remain analytically useful for diagnosing governance failures and articulating normative benchmarks for bank governance in Ghana. They help identify weaknesses in board effectiveness, incentive structures and stakeholder protection. Second, both theories must be critically adapted to reflect the realities of neo patrimonial political economies, where informal networks and personalised power significantly shape institutional outcomes. Effective bank governance reform in Ghana therefore requires not only technical compliance with conventional governance standards but also political economy interventions that strengthen regulatory independence, constrain political interference and enhance accountability to non-elite stakeholders. Only through such contextualisation can mainstream governance theories meaningfully inform bank governance practice in Ghana. The next section delves much into neo-patrimonial theory.

3.3.1 Neo-Patrimonialism: Origins, Conceptualisation, Evolution, and Relevance

Neopatrimonialism has emerged as a central analytical framework for understanding governance, institutional performance and accountability in developing and emerging economies. The concept captures systems in which formally legal rational institutions exist but are routinely penetrated and reshaped by informal, personalised relations of power, loyalty and obligation (Eisenstadt, 1973; Erdmann and Engel, 2007). In such contexts, bureaucratic rules, laws and organisational structures are formally present, yet decision making is frequently driven by personal authority and informal networks rather than impersonal procedures. This produces a persistent blurring of the boundary between public and private interests and weakens the credibility and effectiveness of formal governance arrangements (Van de Walle, 2001; Chabal and Daloz, 1999).

The intellectual origins of neopatrimonialism lie in Max Weber's theory of domination and authority. Weber (1968) distinguished between traditional, charismatic and legal rational forms of authority. Patrimonialism, a subtype of traditional authority, is characterised by personal rule, discretionary power and administrative offices treated as extensions of the ruler's household. Although Weber largely viewed patrimonialism as a pre modern form of governance, later scholars observed that many contemporary states exhibit hybrid systems combining modern bureaucratic institutions with patrimonial logics. Eisenstadt (1973) extended Weber's work by introducing the concept of modern patrimonialism and subsequently neopatrimonialism, to describe systems where formal legal rational institutions exist but function through personalised domination.

Subsequent scholarship refined this concept to emphasise institutional coexistence rather than institutional absence. Erdmann and Engel (2007) define neopatrimonialism as a system in which formal legal rational authority coexists with, and is systematically undermined by, informal patrimonial practices. Crucially, neopatrimonialism does not imply the lack of rules or institutions. Rather, it refers to a mode of institutional functioning in which formal rules are selectively enforced, strategically interpreted or overridden by informal considerations. The defining feature of neopatrimonial systems is therefore not institutional weakness per se, but the dominance of informal authority over formal governance mechanisms.

Neopatrimonialism is particularly relevant for explaining why externally driven governance reforms often fail to produce substantive change. Reform initiatives typically prioritise the adoption of formal rules, structures and best practice templates, while neglecting the political incentives and power relations that shape behaviour within organisations and states. As a result, reforms frequently generate compliance on paper without meaningful transformation in practice (Andrews, 2013). Neopatrimonialism provides a theoretical lens through which this implementation gap can be understood, highlighting why governance systems may appear robust while remaining vulnerable to failure.

Beyond its origins in Weberian theory, neopatrimonialism has become widely applied across governance research in Africa, Latin America, Asia and parts of Eastern Europe (Bach, 2011). Its relevance lies in its ability to capture the interaction between formal institutional design and informal power relations, offering a more realistic account of how governance actually operates. This makes neopatrimonialism particularly valuable for analysing sectors characterised by dense regulation and high accountability demands, such as banking, where formal compliance can coexist with deep governance fragilities.

This study adopts neopatrimonialism not as a blanket explanation for governance failure, but as an analytical framework for examining how formal and informal governance arrangements interact. By tracing its origins and evolution, this section establishes the conceptual foundation for the subsequent analysis. The following sections build on this framework by first examining neopatrimonialism at a global level, before analysing its specific development and manifestations within African and other developing economy contexts, with particular relevance for banking governance.

3.3.2 A Global Overview of Neopatrimonialism

Although neopatrimonialism has been most prominently associated with African governance debates, it is not geographically confined to Africa. Rather, it represents a broader mode of governance observable across many developing and emerging economies, and in more attenuated forms within transitional and hybrid political systems globally. At its core, neopatrimonialism captures the persistent tension between formally legal rational institutions and informally personalised power relations, a tension documented in parts of Latin America, Asia, Eastern Europe and other post transition contexts (Bach, 2011; Helmke and Levitsky, 2004).

In Latin America, neopatrimonial dynamics have been identified in settings where formal democratic institutions coexist with clientelistic political practices and personalised control over public resources. Research on countries such as Mexico and Brazil demonstrates how patronage networks influence bureaucratic appointments, regulatory enforcement and access to state resources, often undermining formal accountability mechanisms (O'Donnell, 1994; Schneider, 2013). While legal rational frameworks are formally entrenched, their operation is frequently distorted by informal political bargaining and elite coalitions. These dynamics reflect key features of neopatrimonialism, even within formally democratic and market oriented systems.

Similarly, in parts of Asia, neopatrimonialism has been used to explain governance outcomes in states characterised by rapid economic development alongside persistent personalised authority. In Southeast Asia, scholars have documented how political leaders maintain influence through discretionary regulation, patronage and close ties between political elites and business actors, despite the presence of modern bureaucratic institutions (Khan, 2010). In such contexts, formal rules are selectively enforced, and regulatory agencies may function as instruments of political control rather than neutral oversight bodies. Neopatrimonialism thus provides an explanatory lens for why institutional modernisation does not necessarily translate into rule based governance.

In post socialist and transitional economies, particularly in Eastern Europe and parts of Central Asia, neopatrimonialism has been applied to analyse the persistence of informal power structures following the adoption of market institutions. Formal corporate governance codes, regulatory agencies and legal frameworks were rapidly introduced during transition periods, yet informal networks, elite capture and personalised authority frequently shaped their practical operation (Stark and Bruszt, 1998). As a result, governance systems often exhibited formal compliance alongside substantive informality, reinforcing the relevance of neopatrimonialism beyond low income or weak state contexts.

A growing strand of accounting and corporate governance research has further extended neopatrimonial analysis to organisational and sectoral governance, including banking. Ekanayake et al. (2025), in a study of bank corporate governance in a developing economy, demonstrate how formal governance arrangements can be systematically subverted through the interaction of sociocultural legacies and neopatrimonial practices. Their findings show that boards, committees and regulatory mechanisms may exist and appear compliant with international standards, yet operate in practice through informal hierarchies, personalised authority and selective rule application. This work is particularly important because it illustrates that neopatrimonialism is not limited to state governance but actively shapes corporate and financial governance outcomes across diverse developing contexts.

A central contribution of the global neopatrimonialism literature is its challenge to institutional determinism. Rather than assuming that the adoption of formal rules produces predictable governance outcomes, neopatrimonialism foregrounds the role of political incentives, elite strategies and informal norms in shaping institutional behaviour. Helmke and Levitsky (2004) argue that informal institutions often coexist with formal ones, sometimes complementing them but frequently competing with or undermining them. In neopatrimonial systems, informal institutions tend to dominate, reshaping formal arrangements to serve personalised interests while preserving an appearance of legality.

This perspective is particularly valuable for explaining persistent implementation gaps in governance reform. Andrews (2013) shows that reform initiatives driven by international best practice frequently prioritise institutional form over institutional function. Governments and organisations adopt laws, codes and governance frameworks to signal compliance to donors, investors and international bodies, yet underlying power relations remain unchanged. As Ekanayake et al. (2025) similarly observe in the banking context, such reforms often result in symbolic governance rather than substantive behavioural change.

Importantly, global scholarship cautions against treating neopatrimonialism as a uniform or static condition. Its intensity and consequences vary across countries and over time, shaped by historical trajectories, political competition and economic structures (Mkandawire, 2015). In some contexts, neopatrimonial arrangements may coexist with relative stability or growth, while in others they contribute to institutional fragility and systemic risk. This variability underscores the need for context sensitive analysis rather than generic assumptions about governance failure.

Overall, the global literature establishes neopatrimonialism as a flexible and powerful analytical framework for understanding why formal governance institutions often function differently in practice than in design. By highlighting the interaction between formal rules and informal power relations, it provides critical insight into governance outcomes across political systems and sectors, including banking. The next section builds on this global overview by examining how neopatrimonialism has evolved and manifested in African and other developing economy contexts, where its implications for institutional performance and banking governance are especially pronounced.

3.3.3 Neopatrimonialism in Africa and Developing and Emerging Economies

The concept of neopatrimonialism has been most extensively developed and empirically examined within African and other developing and emerging economy contexts. While its analytical relevance extends globally, Africa provides particularly rich empirical material due to the historical layering of formal bureaucratic institutions onto deeply embedded systems of personalised authority, patronage and clientelism (Bratton and Van de Walle, 1997; Erdmann and Engel, 2007). In these contexts, neopatrimonialism offers a powerful explanation for why formal governance institutions often exist but function unevenly, selectively or symbolically.

In African states, neopatrimonial governance is closely linked to colonial administrative legacies. Colonial regimes frequently governed through systems of indirect rule, relying on traditional authorities and personalised control while selectively introducing legal rational institutions to serve colonial interests such as taxation, labour extraction and resource control (Therkildsen, 2005). This dual structure entrenched personalised authority within modern state forms and limited the development of autonomous bureaucratic capacity. As Hopper (2017) argues, colonial administrations never fully institutionalised legal rational authority for indigenous populations, instead producing hybrid systems in which bureaucratic control coexisted with patrimonial domination. These institutional arrangements persisted after independence, shaping postcolonial governance trajectories.

Following independence, many African states faced weak institutional capacity, fragmented political coalitions and economies characterised by narrow productive bases. In this context, political elites relied heavily on patronage and clientelism to consolidate power and manage political competition (Médard, 1982; Clapham, 1985). Control over public office became a central mechanism for accessing resources and distributing favours, reinforcing the personalisation of authority and undermining the separation between public and private interests. Neopatrimonialism thus became embedded not as an aberration, but as a rational political strategy within resource constrained environments.

The economic crises of the 1980s and the subsequent implementation of structural adjustment programmes further reshaped neopatrimonial dynamics across Africa. While adjustment reforms aimed to strengthen market discipline and reduce state intervention, they often weakened bureaucratic capacity and intensified competition over shrinking public resources. Lodge (2014) argues that these conditions frequently reinforced neopatrimonial practices rather than dismantling them, as political elites increasingly relied on informal networks to maintain support. Rather than eliminating patronage, structural adjustment altered its institutional location and form.

From the 1990s onwards, African states experienced a wave of governance reforms inspired by New Public Management and international best practice. These reforms introduced corporate governance codes, performance management systems, accrual accounting, independent auditing and regulatory agencies. Although such reforms enhanced formal compliance and increased the appearance of modern governance, their substantive impact was often limited. Accounting and governance research demonstrates that reforms are frequently absorbed into neopatrimonial systems without fundamentally altering power relations (Hopper et al., 2009; Lassou, 2017). Formal rules may be adopted to satisfy donors and investors, while informal practices continue to shape decision making and enforcement.

At the organisational level, neopatrimonialism in African contexts often manifests through the concentration of authority in dominant individuals. Leaders operate as “big men”, exercising discretionary power that transcends formal organisational roles and marginalises collective decision making (Hopper, 2017). In corporate and public sector organisations, including banks, this can result in boards and committees that exist formally but function weakly in practice. Lassou and Hopper (2016) show how board chairpersons in African organisations frequently dominate governance processes, with other members acquiescing due to political dependency, social obligation or fear of exclusion.

The governance implications of neopatrimonialism in Africa have been widely debated. A substantial body of literature associates neopatrimonial systems with weak accountability, ineffective regulation, corruption and poor service delivery (Van de Walle, 2001; Bratton and Van de Walle, 1997). From this perspective, neopatrimonialism is seen as fundamentally incompatible with good governance, particularly in sectors requiring high levels of discipline and oversight. However, this interpretation has been challenged by scholars who argue for a more nuanced understanding. Mkandawire (2015) cautions against treating neopatrimonialism as a uniform explanation for governance failure, showing that some African countries perform better than expected when governance outcomes are assessed relative to levels of economic development. He argues that neopatrimonialism should be understood as historically embedded and context dependent, rather than inherently dysfunctional.

Despite this nuance, there is broad agreement that neopatrimonialism poses particular challenges for sectors such as banking. Banks combine systemic importance, high leverage and opacity, making them especially vulnerable to governance failure when formal rules are undermined by informal influence. Yet much of the neopatrimonial literature has focused on public sector governance or non financial enterprises, leaving banking relatively under explored (Lassou and Hopper, 2016). This gap is significant given the central role of banks in financial intermediation and economic stability across African economies.

Recent studies have begun to address this gap by examining how neopatrimonial dynamics shape corporate governance and accountability within banks. Research from Kenya and Sri Lanka demonstrates that even in highly regulated banking environments, governance mechanisms can be selectively enacted and rendered symbolic through informal power relations (Kimani et al., 2021; Ekanayake et al., 2025). These findings suggest that formal regulatory density alone is insufficient to ensure effective governance where informal authority remains dominant.

In this context, Ghana represents a particularly compelling case. It combines formal democratic institutions, a relatively sophisticated regulatory framework and persistent informal networks that influence appointments, enforcement and decision making. Examining neopatrimonialism within Ghanaian banking therefore allows for a deeper understanding of how formal governance frameworks interact with informal practices to shape accountability, risk management and financial stability. By extending neopatrimonial analysis to bank governance, this study responds to calls for more context sensitive research that moves beyond abstract theorisation to examine how governance operates within specific organisational settings (Uddin and Choudhury, 2008; Hopper, 2017).

3.4.1 Applying Neo-patrimonialism to Ghanaian Banking Governance

Sections 2.3.1 and 2.3.5 highlighted key contextual and regulatory features relevant to the analysis of neo patrimonialism in Ghana. However, applying neopatrimonialism to Ghanaian bank governance requires situating the analysis within the country's broader socio-political and institutional environment. Ghana is widely characterised as a hybrid governance system in which formal democratic institutions coexist with personalised power relations, patronage, and clientelism (Bratton and Van de Walle, 1997; Booth and Cammack, 2013). Since the return to constitutional rule in 1992, Ghana has maintained regular multiparty elections, relatively peaceful political transitions, and formal adherence to democratic norms. These features have positioned the country as a democratic success story within sub-Saharan Africa. However, democratic consolidation has not displaced informal practices through which power is exercised and resources are allocated (Chabal and Daloz, 1999; Kelsall, 2011).

Political competition in Ghana often reinforces neopatrimonial dynamics rather than constraining them. Electoral success depends heavily on the ability of political elites to mobilise resources, reward supporters, and sustain patronage networks across ethnic, regional, and partisan lines (Van de Walle, 2001; Booth and Cammack, 2013). As Andrews (2013) argues, formal institutional reforms in such contexts frequently alter rules on paper without transforming the underlying incentives that shape behaviour. In Ghana, therefore, competitive politics coexist with informal governance logics that blur the boundary between public office and private interest.

Institutionally, Ghana possesses an extensive framework of formal rules governing the financial sector. These include banking legislation, prudential regulations, corporate governance directives, and supervisory oversight by the Bank of Ghana. Over time, Ghana has adopted regulatory standards broadly aligned with international best practice, particularly in response to episodes of financial instability and reform pressures from global financial institutions (Beck et al., 2011). These reforms have strengthened the formal architecture of bank governance, including requirements relating to board structure, risk management, capital adequacy, and disclosure.

Despite this formal sophistication, a substantial body of political economy and governance research suggests that institutional effectiveness in Ghana is uneven. Formal rules coexist with selective enforcement, regulatory forbearance, and informal influence, especially in high-value sectors such as banking (Therkildsen, 2005; Booth and Cammack, 2013). Regulatory institutions may enjoy de jure independence, yet their de facto autonomy can be constrained by political pressures, personal ties, and expectations of reciprocal obligation. This creates an implementation gap in which compliance is achieved symbolically while substantive enforcement remains inconsistent.

The banking sector is particularly exposed to these dynamics because it sits at the intersection of political authority, economic power, and financial risk. Banks are critical to economic development and financial intermediation, making them attractive instruments for political influence and rent distribution. As a result, formal governance reforms in banking operate within an institutional environment shaped by informal norms of loyalty, obligation, and reciprocity. This tension between formal institutional design and informal practice provides the analytical entry point for applying neopatrimonialism to Ghanaian bank governance.

Understanding this broader context is essential for analysing why governance reforms have produced uneven outcomes in Ghana's banking sector. While formal institutions are necessary and increasingly sophisticated, they function within a socio-political environment in which personalised power and informal networks continue to shape decision making. It is within this institutional landscape that neopatrimonial logics influence bank governance structures, regulatory effectiveness, and banking stability, as explored in the next section

Figure 3.2: Neopatrimonialism and Bank Governance Framework

The framework below delineates the interconnections among personalised politics, political influence in banking governance, selective enforcement of regulations, weakened governance, and their effects on accountability, transparency, and financial stability.

3.4.2 Neopatrimonial Logics and Their Influence on Bank Governance Structures, Practices, and Stability in Ghana

Neopatrimonialism influences Ghanaian bank governance not through the absence of formal rules, but through the manner in which those rules are interpreted, enacted, and selectively enforced. Ghana's banking sector is governed by detailed legal and regulatory frameworks, including prudential regulations, corporate governance directives, and disclosure requirements issued by the Bank of Ghana, which broadly align with international standards (Beck et al., 2011; Van Greuning and Bratanovic, 2020). However, within a neopatrimonial context, these formal structures coexist with informal power relations that shape appointments, decision making, and enforcement outcomes (Bratton and Van de Walle, 1997; Booth and Cammack, 2013). The result is a governance system in which compliance may be formally demonstrated, yet substantive accountability remains fragile due to the dominance of informal authority over formal institutional mandates (Taylor and Williams, 2008; Hopper, 2017). This pattern mirrors findings by Ekanayake, Sorour and Soobaroyen (2025), who show that in developing country banking contexts, formal governance mechanisms can be strategically enacted to signal compliance while underlying sociocultural and neopatrimonial logics continue to shape actual governance behaviour.

At the structural level, neopatrimonial logics affect the composition and functioning of bank boards. Although corporate governance codes emphasise merit based appointments, independence, and expertise, board positions in Ghanaian banks may be influenced by political connections, ethnic affiliations, or patron client relationships. Such dynamics blur the distinction between executive and non executive roles and weaken the monitoring function of boards. Directors who owe their appointments to political or personal networks may prioritise loyalty over oversight, constraining their willingness to challenge management decisions or question risky strategies (Hopper, 2017; Booth and Cammack, 2013). Similar dynamics are identified by Ekanayake et al. (2025), who demonstrate how board structures in neopatrimonial settings can be formally compliant yet substantively subordinated to dominant actors, thereby undermining collective oversight. This weakens boards' capacity to perform their dual role of strategic guidance and effective monitoring, which is especially critical in banking due to high leverage and systemic risk.

Neopatrimonialism also shapes governance practices within banks, particularly in relation to decision making and internal controls. In personalised governance environments, authority often becomes concentrated in dominant individuals, such as politically connected executives or influential board chairs. Decision making may be centralised and informal, with key choices negotiated outside formal board processes. Lassou and Hopper (2016) demonstrate that in such contexts, formal governance mechanisms such as board meetings and committees may function symbolically, while substantive decisions are taken elsewhere. Ekanayake et al. (2025)

similarly highlight how governance rituals can mask informal dominance, allowing sociocultural expectations and loyalty networks to override procedural accountability. In Ghanaian banks, this can result in the marginalisation of risk committees, weak challenge of executive actions, and tolerance of practices such as insider lending or regulatory arbitrage.

Risk management is particularly vulnerable to neopatrimonial influence. While formal risk governance frameworks exist, informal pressures may distort risk assessment and lending decisions. Politically exposed persons or connected firms may receive preferential access to credit, often on non commercial terms, increasing banks' exposure to non performing loans. Empirical studies of Ghana's banking sector have linked governance weaknesses to poor asset quality, inadequate capital buffers, and excessive risk taking prior to the 2017–2019 banking crisis (Torku, 2020; Li et al., 2020). Neopatrimonial logics help explain why such practices persisted despite the presence of formal risk management structures: informal obligations and expectations overrode prudential considerations, a pattern consistent with broader evidence from developing country banking systems (Ekanayake et al., 2025).

Regulatory governance is similarly shaped by neopatrimonial dynamics. Although the Bank of Ghana is formally independent and increasingly aligned with international supervisory standards, enforcement can be uneven in practice. Political interference, regulatory forbearance, and institutional capture may limit the regulator's ability to act decisively against powerful banks or individuals (Booth and Cammack, 2013; Amenu Tekaa, 2022). In neopatrimonial systems, regulators may face implicit pressure to delay sanctions, overlook violations, or negotiate compliance informally. Ekanayake et al. (2025) demonstrate that such selective enforcement weakens deterrence and normalises rule bending, signalling to market actors that governance standards are negotiable rather than binding.

These dynamics have direct implications for banking outcomes and financial stability. Neopatrimonial governance arrangements contribute to moral hazard, misallocation of credit, and erosion of market confidence. The Ghanaian banking crisis revealed how prolonged regulatory forbearance and weak board oversight allowed governance failures to accumulate over time, culminating in widespread bank insolvencies and costly state intervention (Torku and Laryea, 2021). From a neopatrimonial perspective, these failures were not anomalies but predictable outcomes of a system in which informal power relations consistently undermined formal governance mechanisms.

Importantly, neopatrimonialism does not imply that all governance outcomes are uniformly negative. As Mkandawire (2015) cautions, neopatrimonial systems can produce varied outcomes depending on historical and institutional conditions. In Ghana, periods of relative banking stability and reform success suggest that formal governance frameworks can constrain informal practices to some extent. However, where neopatrimonial logics dominate, they tend to hollow out governance structures, rendering reforms vulnerable to reversal or selective implementation, a conclusion reinforced by recent comparative banking studies (Ekanayake et al., 2025).

Applying neopatrimonialism to Ghanaian bank governance therefore provides a coherent explanation for the persistent gap between regulatory design and governance outcomes. It highlights how governance failures arise not from weak rules per se, but from the interaction between formal institutions and informal power structures. This perspective shifts analytical attention away from purely technical fixes towards the underlying political and social dynamics that shape governance behaviour. The next section builds on this analysis by presenting a revised conceptual framework that systematically captures these relationships and clarifies the pathways through which neopatrimonialism influences bank governance and stability in Ghana.

3.4.3 A Conceptual Framework for Analysing Neopatrimonialism and Bank Governance in Ghana

Figure 3.1

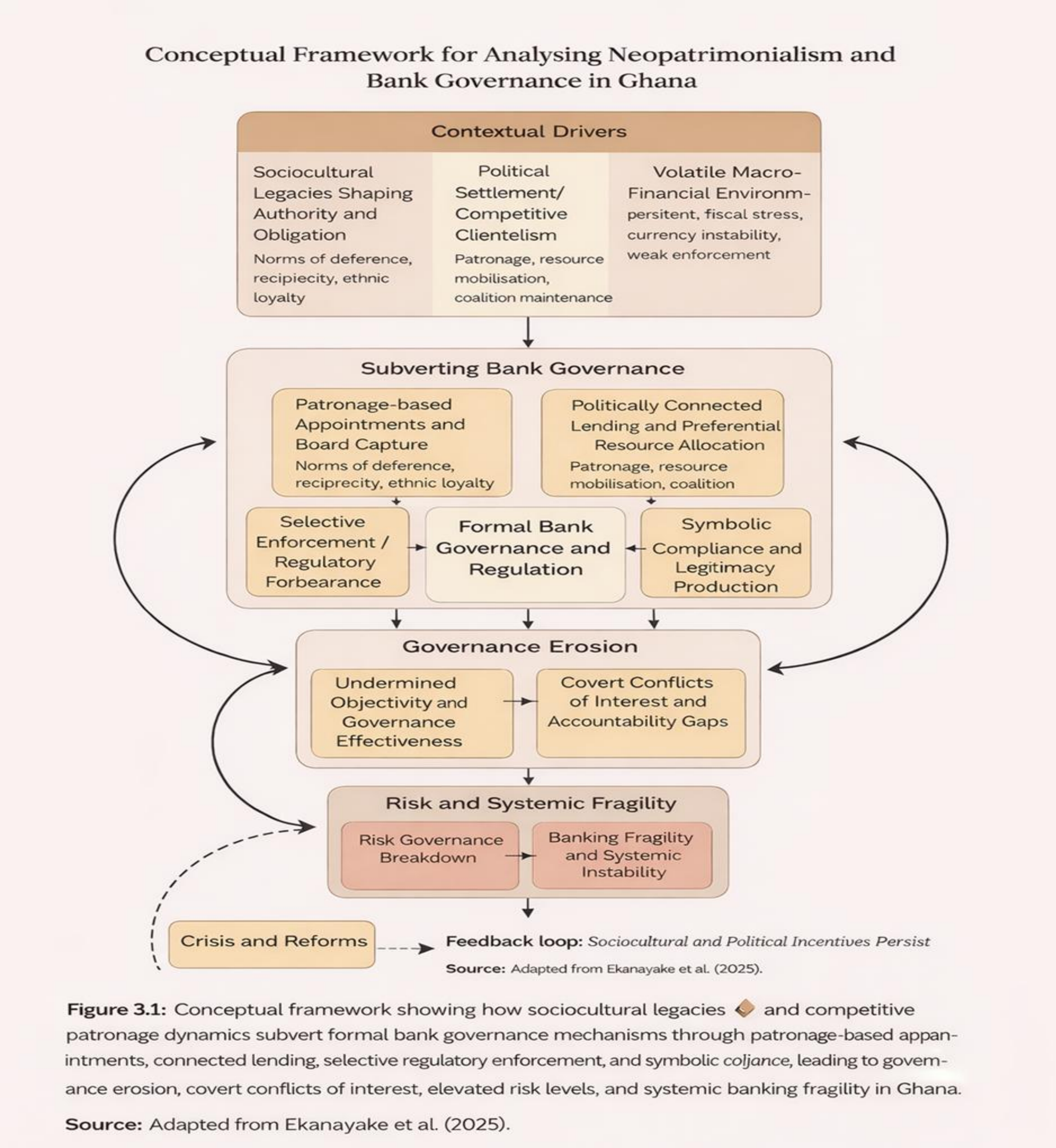

Figure 3.1: Conceptual framework showing how sociocultural legacies and competitive patronage dynamics subvert formal bank governance mechanisms through patronage-based appan-intments, connected lending, selective regulatory enforcement, and symbolic *coljance*, leading to govem-ance erosion, covert conflicts of interest, elevated risk levels, and systemic banking fragility in Ghana.

Source: Adapted from Ekanayake et al. (2025).

Source: Adapted from Ekanayake, Sorour and Soobaroyen (2025)

Figure 3.1 presents a conceptual framework for analysing how neopatrimonialism shapes bank governance outcomes in Ghana. Drawing on neo-patrimonial theory, institutional theory, and political settlements perspectives, the framework explains how informal sociocultural and political forces interact with formal governance structures to subvert bank corporate governance mechanisms. The framework is adapted from Ekanayake et al. (2025) and contextualised to Ghana's banking sector, reflecting its historical, sociopolitical, and regulatory specificities.

At the top of the framework are contextual drivers, which constitute the enabling environment within which neopatrimonial practices emerge and persist. These drivers comprise three interrelated elements. First, sociocultural legacies shaping authority and obligation reflect deeply embedded norms of deference, reciprocity, ethnic loyalty, and personalised authority. Such norms influence organisational behaviour by privileging loyalty and social obligation over formal rules and impersonal decision-making (Eisenstadt, 1973; Chabal and Daloz, 1999; Mkandawire, 2015). In the Ghanaian context, these legacies permeate elite networks and organisational hierarchies, shaping expectations regarding access to resources and protection.

Second, political settlement and competitive clientelism capture the nature of elite competition and coalition maintenance in Ghana's political economy. Political actors rely on patronage and resource distribution to sustain electoral and elite support, creating incentives to extend influence into state-linked and regulated sectors such as banking (Khan, 2010; Lindberg, 2010; Pitcher et al., 2009). Banks become strategically important sites for rent distribution, political financing, and coalition management.

Third, the framework recognises a volatile macro-financial environment, characterised by fiscal pressures, currency instability, and periodic banking sector distress. Such volatility weakens regulatory capacity and heightens incentives for regulatory forbearance and selective enforcement, thereby creating further space for informal influence to override formal governance arrangements (Laeven, 2013; Jones, 2020; Torku, 2020).

These contextual drivers feed into the core process labelled subverting bank governance, which represents the central mechanism through which neopatrimonialism operates within banks. The framework identifies four mutually reinforcing practices. Patronage-based appointments and board capture occur when board and senior management positions are allocated based on political loyalty, social ties, or ethnic affiliation rather than competence and independence, undermining board effectiveness (Nakpodia and Adegbite, 2018). Politically connected lending and preferential resource allocation emerge as banks extend credit and financial favours to politically exposed individuals and firms, often in violation of prudential norms (Damette and Kouki, 2022; Li et al., 2020).

Alongside these, selective enforcement and regulatory forbearance reflect the uneven application of banking regulations, where politically connected banks or individuals are shielded from sanctions, weakening supervisory credibility (Delis and Staikouras, 2011; Jones, 2020). At the same time, symbolic compliance and legitimacy production allow banks to outwardly conform to corporate governance codes and regulatory requirements while substantive practices remain unchanged, thereby maintaining legitimacy without genuine accountability (Suchman, 1995; Soobaroyen and Mahadeo, 2012).

The interaction between these practices leads to governance erosion, the next stage in the framework. Governance erosion manifests in two principal outcomes. First, undermined objectivity and governance effectiveness, where boards, risk committees, and internal controls fail to exercise independent oversight due to captured decision-making processes. Second, covert conflicts of interest and accountability gaps, where personal, political, and organisational interests are deliberately obscured, limiting transparency and effective monitoring (Uddin and Choudhury, 2008).

As governance erodes, the framework shows a transition to risk and systemic fragility. Weak oversight and compromised risk governance contribute to excessive risk-taking, poor asset quality, and accumulation of non-performing loans. Over time, this results in banking fragility and systemic instability, as evidenced by Ghana's recent banking sector crisis and associated bank failures (Torku and Laryea, 2021; Osei et al., 2019).

Finally, the framework incorporates a feedback loop linking crisis and reform efforts back to the original contextual drivers. Although banking crises often prompt regulatory reforms and institutional restructuring, these interventions are frequently absorbed into existing sociocultural and political incentive structures. As a result, neopatrimonial practices adapt rather than disappear, enabling the cycle of subversion to persist over time (North et al., 2009; Ekanayake et al., 2025). This feedback loop underscores the path-dependent nature of bank governance in Ghana and highlights why formal reforms alone may be insufficient without addressing underlying informal institutions.

Overall, Figure 3.1 provides an integrative analytical lens that connects macro-level political and sociocultural conditions with micro-level governance practices within banks. It offers a structured basis for analysing empirical evidence in this study and for explaining how neopatrimonialism systematically undermines bank corporate governance in Ghana.

3.3 Chapter Summary

This chapter has developed the theoretical foundations that inform the analysis of bank governance in Ghana, positioning neopatrimonialism as the central analytical lens. Drawing on Weberian notions of authority and subsequent extensions of patrimonialism, the chapter conceptualised neopatrimonialism as a system in which formal legal-rational institutions coexist with, but are frequently penetrated and overridden by, informal personalistic authority, patronage, and clientelist relations (Weber, 1968; Eisenstadt, 1973; Erdmann and Engel, 2007). This framework provides a powerful explanation for governance outcomes in contexts where institutional reforms coexist with persistent informal power relations.

The chapter traced the evolution of neopatrimonialism from its theoretical origins to its contemporary relevance in developing and emerging economies. At a global level, neopatrimonialism has been shown to account for the persistent gap between formal institutional design and actual governance performance, particularly where externally driven reforms prioritise compliance with formal rules while neglecting underlying political incentives (Van de Walle, 2001; Andrews, 2013). This perspective helps explain why governance reforms often result in symbolic or selective implementation rather than substantive behavioural change.

Building on this global foundation, the chapter examined the development and manifestations of neopatrimonialism in African contexts. It highlighted how colonial governance systems, especially indirect rule, entrenched personalised authority within formal administrative structures, creating hybrid institutional arrangements that persisted after independence (Chabal and Daloz, 1999; Therkildsen, 2005; Hopper, 2017). In the post-colonial period, weak bureaucratic capacity, political competition, and economic constraints further reinforced patronage and clientelism as mechanisms for maintaining political coalitions (Médard, 1982; Clapham, 1985; Van de Walle, 2001). Rather than disappearing, neopatrimonial practices adapted to new institutional environments, including those shaped by structural adjustment and contemporary governance reforms.

The chapter then applied neopatrimonialism explicitly to Ghanaian bank governance. It showed that Ghana's banking sector operates within an extensive framework of formal rules, including prudential regulation, corporate governance codes, and disclosure requirements issued by the Bank of Ghana. However, these legal-rational structures function within a socio-political context characterised by informal networks, political influence, and personalised authority (Booth and Cammack, 2013; Kelsall, 2011). Neopatrimonialism influences bank governance not through the absence of regulation, but through the selective interpretation and enforcement of rules, shaping board appointments, regulatory oversight, and decision-making processes.

The analysis highlighted how neopatrimonial logics affect bank governance structures, governance practices, and risk management. Board independence and merit-based appointments may be formally prescribed, yet informal considerations such as political allegiance and personal loyalty can dilute oversight and accountability (Hopper, 2017). Governance practices may become centralised in dominant individuals, rendering formal board processes and committees ceremonial (Lassou and Hopper, 2016). These dynamics have direct implications for risk management and financial stability, helping to explain patterns of insider lending, weak internal controls, and regulatory forbearance observed prior to Ghana's recent banking crises (Li et al., 2020; Torku, 2020).

To synthesise these insights, the chapter developed a conceptual framework that systematically links neopatrimonialism, formal governance frameworks, bank governance structures, governance practices, risk management, and banking outcomes. This framework advances existing literature by explicitly integrating informal power relations into the analysis of bank governance, moving beyond purely technical or regulatory explanations of governance failure. Overall, the chapter establishes a robust theoretical foundation for the empirical chapters that follow, clarifying how neopatrimonial dynamics shape bank governance and financial stability in Ghana.

4. CHAPTER FOUR: METHODOLOGY AND METHODS

4.1 Introduction

This chapter sets out the methodological framework adopted to address the study's research questions, which explore how formal systems and structures of bank governance in Ghana shape governance practices and outcomes, and how informal networks and neo patrimonial relationships influence governance dynamics within the banking sector. An explicit engagement with research philosophy is essential, as different philosophical positions shape how social phenomena are understood, analysed, and interpreted (Saunders et al., 2009). Accordingly, the chapter outlines the philosophical underpinnings and research paradigm informing the study, before detailing the research approach and design, as well as the methods of data collection and analysis. It also considers methodological and practical challenges, addresses ethical considerations, and concludes with a chapter summary. Taken together, these sections provide a coherent justification for the methodological choices made and demonstrate their appropriateness for generating an in depth understanding of governance and accountability in Ghanaian banks.

4.2 Philosophical Underpinnings and Research Paradigm

4.2.1 Ontological and Epistemological Positions

Research is inherently underpinned by assumptions about the nature of reality and the nature of knowledge, whether these assumptions are made explicit or remain implicit (Burrell and Morgan, 1979; Smith, 1999). Ontology concerns what is assumed to exist and what constitutes social reality, while epistemology addresses how knowledge about that reality can be generated and validated (Crotty, 1998). Clarifying these positions is essential for establishing coherence between the research questions, methodological choices, and analytical interpretations (Saunders et al., 2009).

The ontological position adopted in this study is social constructivism, which assumes that social reality is not fixed, objective, or independent of human interpretation, but is instead continuously constructed through social interaction, shared meanings, and contextual practices (Berger and Luckmann, 1966; Guba and Lincoln, 1994). From this perspective, organisational phenomena such as governance structures, accountability mechanisms, and regulatory practices are not neutral or universally applied systems, but socially embedded arrangements shaped by historical, political, and cultural forces. Bank governance in Ghana is therefore understood not as a stable or homogeneous system, but as a dynamic and context specific process that is continually produced and reproduced through the actions and interpretations of organisational actors.

This ontological stance is particularly appropriate for examining governance in neopatrimonial contexts, where formal institutional frameworks coexist with, and are frequently mediated by, informal networks, personal relationships, and socio political obligations. Viewing governance as socially constructed enables the study to account for the ways in which formal rules and informal practices interact in practice, rather than assuming that formal regulatory structures operate uniformly or deterministically. Accordingly, the study conceptualises bank governance as an evolving social reality shaped by the interplay between institutional arrangements and human agency.

The adoption of a social constructivist ontology directly informs the study's epistemological position, which is interpretivist in orientation. An interpretivist epistemology holds that knowledge of social phenomena is generated through understanding the meanings that individuals attach to their experiences and actions, rather than through objective measurement or positivist generalisation (Schutz, 1967; Bryman, 2016). Knowledge is thus viewed as contextual, situated, and contingent, emerging through engagement with participants' accounts and interpretations rather than existing independently of them (Guba and Lincoln, 1994).

Consistent with this epistemological stance, participants in this study are regarded as knowledgeable social actors whose experiences provide critical insight into how governance operates in practice. Rather than treating participants as passive respondents, the research recognises them as active contributors to the construction of knowledge. Understanding bank governance therefore requires engaging with how directors, managers, regulators, and other stakeholders interpret governance rules, negotiate informal expectations, and make sense of their roles within complex institutional environments.

This epistemological orientation also privileges depth of understanding over statistical generalisation, reinforcing the suitability of inductive reasoning and qualitative methods, which are discussed in subsequent sections of this chapter. Through in depth engagement with participants' narratives, the study seeks to capture the meanings, assumptions, and rationalities that underpin governance practices in Ghanaian banks. The alignment between the study's social constructivist ontology and interpretivist epistemology provides a coherent philosophical foundation for analysing governance as a lived and negotiated phenomenon, rather than as a purely technical or regulatory construct. These positions also inform the study's broader interpretive paradigm and reflexive approach, which are addressed in Sections 4.2.2 and 4.2.3 respectively.

Interpretive ParadigmThe interpretive paradigm is closely aligned with, and emerges logically from, this study's ontological and epistemological positions. Ontologically, the interpretive paradigm assumes that social reality is not objective or fixed but is socially constructed through human interaction and embedded within specific historical, cultural, and institutional contexts (Burrell and Morgan, 1979; Gephart, 2004). Epistemologically, it holds that knowledge is generated through understanding the meanings that social actors attribute to their experiences, actions, and social practices, rather than through detached observation or hypothesis testing (Schutz, 1967; Crotty, 1998). Consequently, the interpretive paradigm privileges context, subjectivity, and meaning making as central to social inquiry.

This study adopts an interpretive paradigm because it closely aligns with its aim of understanding bank governance as a socially constructed and contextually dynamic phenomenon. Governance practices are not treated as neutral or universally applicable mechanisms, but as outcomes of ongoing social processes shaped by institutional actors operating within specific socio political environments. The interpretive paradigm is particularly suited to examining governance in neopatrimonial settings, where formal regulatory frameworks coexist with informal norms, personal networks, and culturally embedded practices. Such contexts demand an analytical lens capable of capturing complexity, ambiguity, and the interplay between structure and agency.

Within accounting and corporate governance research, positivism has historically been the dominant paradigm, emphasising objectivity, quantification, causal explanation, and generalisability (Chua, 1986; Major, 2017). Positivist approaches assume an external and objective reality that can be measured independently of the researcher and social actors. While this approach has contributed significantly to mainstream accounting research, it has been widely criticised for its limited capacity to capture the socio political, cultural, and institutional dimensions of governance, particularly in non Western and developing country contexts (Chua, 1986; Hopper and Bui, 2016).

In the context of Ghana’s banking sector, traditional positivist methodologies are insufficient for capturing the lived realities of governance. Governance practices are significantly shaped by informal relationships, trust networks, patron client ties, and cultural norms, all of which resist reduction to quantifiable variables. Treating governance as a purely technical or regulatory construct risks obscuring the informal mechanisms through which power, accountability, and decision making actually operate. The interpretive paradigm, by contrast, recognises governance as a socially embedded process and enables an exploration of how formal rules are interpreted, negotiated, and sometimes circumvented in practice (Matthews and Ross, 2010; Gephart, 2004).

As noted earlier in this thesis (Section 1.5 – Scope of the Study), the dominance of positivism in accounting and governance research has prompted sustained critique and calls for alternative paradigms that better address the socio political nature of organisational life. Scholars such as Chua (1986) and Hopper and Bui (2016) argue that understanding governance in complex institutional environments requires methodological and philosophical pluralism. This study responds directly to these calls by adopting an interpretive paradigm that is more appropriate for analysing governance within neopatrimonial systems, which are characterised by hybridity, informality, and relational governance structures (Erdmann and Engel, 2007). In such contexts, governance effectiveness cannot be fully understood without attention to social norms, power relations, and historically embedded practices.

The interpretive paradigm therefore provides a robust framework for addressing the central research question of this study: What are the specific systems and structures that underpin bank governance in Ghana, and how do they contribute to the overall effectiveness of corporate governance in Ghanaian banks? By focusing on how governance is experienced and enacted by key stakeholders, the study is able to identify not only formal governance mechanisms but also the informal systems that shape outcomes in practice.

Methodologically, the interpretive paradigm is closely associated with qualitative research approaches, which prioritise depth, context, and meaning over breadth and statistical generalisation (Denzin and Lincoln, 2018). Qualitative methods are particularly suited to exploring lived realities, subjective interpretations, and processes of meaning making, all of which are central to this study. While the specific methodological choices are discussed in Section 4.3.2, it is important to note here that qualitative approaches are epistemologically consistent with interpretivism, whereas quantitative approaches emphasising numerical data, objectivity, and statistical inference are less capable of capturing the complexities under investigation.

A key strength of the interpretive paradigm is its emphasis on the emic perspective, which foregrounds the meanings and interpretations of research participants rather than imposing externally derived analytical categories (Kakkuri Knuuttila, Lukka and Kuorikoski, 2008). This perspective is particularly valuable in the Ghanaian banking context, where governance practices are often shaped by reciprocal obligations, informal authority, and culturally specific understandings of responsibility and accountability. For example, the interpretive approach allows exploration of how board members perceive their fiduciary duties within networks of loyalty, or how regulators balance formal enforcement with pragmatic accommodation of informal practices. Capturing these perspectives is essential for understanding why governance systems succeed or fail in practice.

Although the interpretive paradigm prioritises participants' meanings, it also recognises the researcher as an active participant in the knowledge production process. Knowledge is understood as co constructed through interaction between the researcher and participants, rather than discovered as an objective truth (Guba and Lincoln, 1994). This recognition places particular importance on reflexivity, as researchers must critically examine how their own assumptions, experiences, and positionality shape the research process. While reflexivity and researcher positionality are addressed in detail in Section 4.2.3, it is important to note here that reflexive awareness is a foundational element of interpretive research.

4.2.1 Reflexivity and Researcher Positionality

Reflexivity is a central requirement of interpretive research, as it acknowledges that knowledge is not produced in isolation from the researcher but is shaped through interaction, interpretation, and positionality (Finlay, 2002; Guba and Lincoln, 1994). In this study, I recognise myself as an active participant in the research process rather than a neutral observer. My interpretations of governance practices in Ghanaian banks are inevitably informed by my own professional experiences, assumptions, and values, and it was therefore essential to engage in continuous reflexive practice throughout the research process.

My positionality is shaped by nearly ten years of professional experience within the Ghanaian banking sector. This background provided me with a nuanced understanding of governance structures, regulatory expectations, and everyday banking practices, as well as familiarity with the informal norms and relational dynamics that often influence decision making. During fieldwork, this insider knowledge enabled me to establish rapport with participants, interpret industry specific language, and probe more deeply into governance practices that might otherwise remain implicit or taken for granted. In several interviews, participants assumed a shared understanding of banking norms and governance realities, which facilitated open and candid discussions about sensitive issues such as board dynamics, regulatory discretion, and informal influence.

At the same time, I remained acutely aware that my professional background could introduce bias, particularly the risk of normalising certain governance practices or interpreting participants' accounts through the lens of my own experiences. To address this, I consciously adopted a reflexive stance that involved questioning my assumptions, distinguishing participants' perspectives from my own interpretations, and remaining attentive to alternative explanations. Reflexivity, in this sense, involved a deliberate effort to balance the advantages of insider knowledge with critical distance, ensuring that the analysis remained grounded in empirical data rather than professional familiarity (Alvesson and Sköldberg, 2009).

Throughout the research process, I approached participants as co creators of knowledge rather than as passive sources of information. This epistemological commitment required me to listen attentively, allow participants to frame governance issues in their own terms, and remain open to interpretations that challenged my prior understanding of banking governance. For example, while my professional experience had emphasised formal compliance and regulatory accountability, several participants highlighted the centrality of trust, reciprocity, and personal relationships in sustaining governance processes. Rather than dismissing these accounts as deviations from formal governance ideals, I reflexively engaged with them as legitimate expressions of how governance is enacted in practice within a neopatrimonial context.

Reflexivity also shaped how I navigated power relations during data collection. As a former banking professional, I occupied an ambiguous position that was neither fully insider nor outsider. In some cases, participants perceived me as a peer, which encouraged openness but also required careful management to avoid collusion or uncritical acceptance of dominant narratives. In other cases, my position as a doctoral researcher created distance, prompting participants to justify or rationalise governance practices more explicitly. Being reflexively aware of these dynamics allowed me to adjust my interviewing approach and remain attentive to how positionality influenced the data generated.

Consistent with interpretive research principles, reflexivity extended beyond data collection to analysis and interpretation. I maintained reflective notes throughout the research process to document moments where my professional background influenced my reactions to participants' accounts or shaped emerging analytical themes. This practice supported transparency and enhanced analytical rigour by making visible the interpretive decisions underpinning the study's findings (Finlay, 2002; Saunders et al., 2009).

Ultimately, reflexivity strengthened the credibility and trustworthiness of this study by ensuring that participants' voices remained central while acknowledging my role in the co construction of knowledge. By critically engaging with my positionality, I was able to leverage my professional experience as an analytical resource rather than a source of unchecked bias. This reflexive approach aligns with the study's social constructivist ontology and interpretivist epistemology, reinforcing coherence between philosophical assumptions, methodological choices, and empirical analysis. Elements of this reflexivity are revisited in later sections of this chapter, particularly in relation to data analysis and ethical considerations, where researcher positionality continues to shape interpretive decisions.

4.3 Research Approach and Qualitative Design

4.3.1 Inductive Reasoning/Approach

Two broad research approaches dominate social science inquiry, namely deductive and inductive reasoning, each differing in how knowledge is generated and theory is developed. Deductive reasoning adopts a top down logic, beginning with established theory from which hypotheses are derived and subsequently tested against empirical data. In contrast, inductive reasoning follows a bottom up process in which empirical observations are used to identify patterns, generate concepts, and ultimately develop theoretical insights grounded in the data (Bryman, 2016; Saunders et al., 2009).

An inductive research approach is particularly appropriate for this study because of its exploratory nature and its focus on understanding governance practices as they are enacted within specific socio political and institutional contexts. Bank governance in Ghana, especially within a neo patrimonial environment, is not sufficiently explained by existing universalist governance theories that assume stable institutional arrangements and rule based behaviour. Instead, governance practices are shaped by historically embedded relationships, informal networks, and context specific interpretations of formal rules. An inductive approach therefore allows theory to emerge from the empirical realities of governance actors rather than imposing pre determined theoretical frameworks that may inadequately capture local dynamics.

The adoption of inductive reasoning is closely aligned with the study's philosophical foundations and interpretive research paradigm, as outlined in Section 4.2. Inductive reasoning is commonly associated with interpretivism because it seeks to understand social phenomena through the meanings that individuals attach to their experiences, rather than through the testing of predefined hypotheses (Saunders et al., 2009; Blaikie, 2018). While deductive reasoning aligns more closely with positivist assumptions of an objective and observable reality, inductive reasoning is consistent with the interpretive view that social reality is socially constructed, context dependent, and best understood through in depth engagement with participants (Chua, 1986).

A key strength of the inductive approach is its sensitivity to context. Easterby Smith et al. (2018) argue that inductive research prioritises the settings in which social phenomena occur, recognising that meaning and behaviour are shaped by institutional, cultural, and relational factors. Context is central to this study, particularly given the importance of formal regulatory structures, organisational cultures, political influences, and informal governance practices within Ghana's banking sector. Neo patrimonial systems are characterised by the coexistence of formal institutions and informal power relations, and an inductive approach enables the researcher to explore how these elements interact in practice rather than assuming a linear or rule bound governance process.

Furthermore, inductive reasoning places strong emphasis on the perceptions and lived experiences of social actors. Hollis (1994) notes that inductive approaches attend to subjective meanings and situational influences that shape behaviour, making them particularly suitable for studies concerned with governance processes and decision making. In the context of this research, understanding how board members, senior managers, regulators, and other stakeholders interpret governance responsibilities, accountability, and compliance is critical to explaining governance outcomes. These interpretations cannot be adequately captured through hypothesis testing alone but require engagement with participants' narratives and sense making processes.

Inductive research is also commonly associated with qualitative inquiry. Punch (2005) observes that inductive studies are typically qualitative in nature because they seek to build theory from rich empirical material rather than test existing propositions. Qualitative research does not generally begin with a tightly specified theoretical model; instead, it allows analytical frameworks to develop progressively through engagement with data (Matthews and Ross, 2010). This characteristic is particularly relevant to the present study, where the objective is to generate a nuanced understanding of governance systems and structures rather than to measure predefined variables or establish causal generalisations.

Although deductive and inductive approaches share certain features, such as their capacity to study phenomena within natural settings, their epistemological orientations differ substantially. The inductive approach adopted in this study enabled direct engagement with governance actors and facilitated the development of insights grounded in their experiences. By allowing patterns and themes to emerge from empirical data, the inductive strategy supported a deeper and more contextually informed understanding of bank governance in Ghana. This approach is therefore well suited to addressing the study's research questions and complements the qualitative methodology discussed in the following section.

4.3.2 Qualitative Methodology and Justification

As indicated in earlier sections, the qualitative approach aligns closely with both the philosophical foundations and substantive focus of this study. In particular, it is well suited to examining the strong influence of context and the pervasiveness of neopatrimonialism within Ghana's banking sector. Reflecting on these issues through the lens of qualitative methodology provides a clear justification for its adoption, while also demonstrating how qualitative research principles operate within the current study.

Qualitative research is especially appropriate for investigating complex social phenomena, particularly where multiple layers of formal and informal processes interact. As discussed in Chapters 2 and 3, bank governance in Ghana is characterised by a complex interplay between formal structures such as regulatory frameworks, corporate laws, and board arrangements, and informal mechanisms including personal networks, patronage, and relational accountability. These dynamics are further shaped by broader contextual factors such as culture, political influence, and Ghana's neopatrimonial institutional environment. Such complexity is difficult to capture through quantitative methods, which prioritise numerical measurement and variable isolation. In contrast, qualitative approaches enable a deeper exploration of how governance operates in practice, allowing the researcher to investigate not only what occurs but also how and why it occurs (Saunders et al., 2009; Mason, 2002).

Qualitative methodology is particularly valuable where governance systems are under documented or only partially understood within existing literature. In the Ghanaian context, the coexistence of formal governance mechanisms and informal practices presents challenges that cannot be adequately examined using standardised indicators alone. Qualitative research offers the tools to uncover these complexities by engaging directly with governance actors and exploring their interpretations of roles, responsibilities, and decision making processes. Through this approach, the study examines how stakeholders understand governance requirements, how informal networks influence institutional practices, and how these dynamics shape banking stability and regulatory compliance.

Context is a central concern of this research, and qualitative methods are especially effective in capturing context dependent phenomena. Research does not occur in a vacuum, and qualitative inquiry explicitly situates social action within its socio political, institutional, and cultural environment (Denzin and Lincoln, 2003). In this study, qualitative methods facilitate an understanding of how Ghana's historical, political, and economic conditions influence governance practices in banks. Ghana's position as a lower middle income country, combined with its experience of developmental constraints and institutional fragility, further reinforces the relevance of a qualitative approach. Alawattage et al. (2007) argue that qualitative research is particularly valuable in less developed contexts where socio political and cultural factors strongly shape institutional behaviour and where local realities are often marginalised in mainstream research. This study responds to that gap by providing a contextually grounded analysis of governance in Ghanaian banks.

A particularly pervasive contextual factor examined in this research is neopatrimonialism. Neopatrimonial systems are characterised by the coexistence of formal bureaucratic institutions with informal practices rooted in personalism, clientelism, and reciprocal obligations (Erdmann and Engel, 2007). These practices are often embedded in everyday organisational life and are not easily observable or quantifiable. Qualitative methods are therefore essential for uncovering how neopatrimonial logics operate within bank governance structures and how they influence decision making, accountability, and risk management. While neopatrimonialism also functions as the study's core theoretical framework, its empirical examination requires methods capable of capturing informal interactions and subjective meanings, which qualitative research is well positioned to provide.

The qualitative approach also aligns closely with the study's ontological and epistemological positions, as outlined in Section 4.2. From an ontological perspective grounded in social constructivism, reality is understood as socially constructed through interaction and shaped by context. Qualitative research similarly prioritises individuals' perspectives and the meanings they attach to their experiences (Bryman, 2016). From an epistemological standpoint, knowledge is viewed as co constructed between the researcher and participants rather than discovered as objective fact. Qualitative methods support this stance by emphasising dialogue, interpretation, and reflexive engagement with participants' accounts.

Closely related to this epistemological orientation is the study's interpretive paradigm. The interpretive paradigm seeks to understand social phenomena through the meanings that actors assign to them, recognising that reality is context specific and historically situated (Chua, 1986; Gephart, 2004). This paradigm underpins the study's use of qualitative methods to investigate how neopatrimonialism interacts with formal governance structures in Ghanaian banks. By prioritising lived experiences and subjective interpretations, the interpretive approach enables an in depth examination of governance practices that would remain obscured within positivist research designs.

The relevance of this approach is underscored by Ghana's banking sector crisis between 2017 and 2019, during which more than 450 financial institutions collapsed. These failures were widely attributed to governance weaknesses, regulatory failures, and poor oversight. Understanding the socio political and relational factors underpinning these governance breakdowns requires qualitative inquiry capable of examining how decisions were made, how accountability was interpreted, and how informal influences shaped institutional outcomes. Semi structured interviews and documentary analysis, employed in this study, allow for the identification of patterns and relationships that are not readily accessible through quantitative analysis.

The qualitative methodology adopted in this study also complements its inductive research approach. Inductive reasoning involves building theory from empirical observations rather than testing predefined hypotheses, and qualitative methods are particularly suited to this process (Punch, 2005). As themes and patterns emerged from the data, the research design allowed for flexibility and responsiveness, enabling the study to adapt to issues raised by participants and to refine analytical focus accordingly. This adaptability is a key strength of qualitative research and is essential for exploring evolving and context specific governance dynamics.

Another important justification for qualitative research lies in its emphasis on understanding meaning from the perspective of those involved in the phenomenon under study (Bryman, 2008). This research prioritises the voices of governance actors and seeks to capture their lived realities, interpretations, and sense making processes. The qualitative approach also allows multiple perspectives to emerge, reflecting the diversity of experiences among board members, senior managers, regulators, and other stakeholders. Section 4.4.1 elaborates on participant selection and illustrates how these varied perspectives enrich the analysis.

Thematic analysis was adopted as part of the qualitative strategy, as it is well suited to identifying patterns of meaning across qualitative data while remaining sensitive to context and interaction (Bryman, 2012). This analytical approach supports the study's aim of examining relationships and processes that define governance practices within Ghanaian banks. Further detail on the thematic analysis framework is provided in Section 4.5.1.

Despite its strengths, qualitative research is not without criticism. One common concern is its perceived subjectivity, with critics arguing that findings may be overly influenced by researchers' interpretations (Bryman, 2008). In this study, such concerns are addressed through reflexivity, transparency, and systematic analytical procedures. As discussed in Section 4.2.3, reflexivity enabled me to critically examine how my professional background and assumptions influenced the research process and to ensure that participants' voices remained central to the analysis. Qualitative rigour was further enhanced through careful documentation of data collection and analysis decisions.

Another criticism relates to the limited replicability and generalisability of qualitative findings (Robson, 2002). However, replication and statistical generalisation are not objectives of interpretive research. Instead, the aim is to generate deep, contextually grounded understanding of social phenomena. While the findings of this study are specific to Ghana's banking sector, this specificity allows for richer insight into local governance challenges and offers analytical contributions that may inform policy and future research in comparable contexts.

Overall, qualitative methods provide rich, in depth understanding of social processes, discourse, and relationships, making them particularly valuable for exploring complex and context specific phenomena (Denzin and Lincoln, 2003; Mason, 2002). In this study, qualitative research enables an examination of how informal networks shaped by patron client relationships and personal ties interact with formal governance structures such as regulatory frameworks and board protocols. By engaging directly with the subjective perspectives of those operating within Ghana's banking sector, the study is able to assess how these dynamics influence governance effectiveness and contribute to banking stability or instability. Qualitative research, supported by interviews and documentary evidence, therefore provides the most appropriate methodological foundation for achieving the study's research objectives.

4.4 Data Collection

Data collection refers to the processes through which empirical material is generated to capture the views, perceptions, experiences, and meanings held by research participants within a given social context. In qualitative research, the selection of data sources is particularly critical, as it shapes the depth and credibility of the insights generated (Creswell, 2009). In line with the interpretive and inductive orientation of this study, data were collected through two primary sources: semi structured interviews and the systematic review of relevant documentary evidence. These data sources were deliberately selected due to their appropriateness in addressing the research objectives and their capacity to illuminate both the formal and informal dimensions of bank governance in Ghana.

The study adopts data source triangulation, which involves drawing on multiple sources of evidence to examine a single phenomenon (Denzin, 1978). Rather than employing multiple data collection methods, this research prioritises multiple data sources within a qualitative framework. This choice reflects both methodological coherence and contextual suitability. While methodological triangulation, such as combining interviews with surveys or experiments, is common in positivist research, such approaches are less appropriate for an interpretive inquiry that seeks to understand socially constructed meanings, informal practices, and contextual governance dynamics (Bryman, 2012). In neopatrimonial settings such as Ghana's banking sector, governance practices are often embedded in informal networks and relational norms that are not easily captured through structured or quantitative instruments.

Naoum (2013) suggests that triangulation can involve the integration of different data gathering approaches, including personal interviews, questionnaires, and observations, to enhance understanding of the phenomenon under study. However, questionnaires and surveys were considered unsuitable for this research due to their limited capacity to capture nuanced experiences, sensitive governance issues, and informal practices that participants may be reluctant to disclose in fixed response formats. Similarly, direct observation was impractical given the restricted access to boardrooms, regulatory deliberations, and confidential governance processes within banks. In contrast, documentary evidence such as regulatory reports, governance codes, supervisory guidelines, and institutional records provided an effective complementary source to interview data, allowing governance practices to be examined beyond individual narratives.

The integration of semi structured interviews and documentary analysis enabled a more comprehensive and credible exploration of bank governance by allowing insights from one source to be corroborated, contrasted, or contextualised by the other. Scholars argue that triangulation enhances qualitative research by deepening understanding and strengthening credibility through the convergence of evidence from different sources (Saunders et al., 2016; Johnson et al., 2007). In this study, triangulation was particularly valuable in revealing divergences between formally articulated governance arrangements and the informal practices described by participants, thereby aligning closely with the study's focus on neopatrimonial dynamics.

Both data sources also align strongly with the study's interpretive paradigm, inductive reasoning, and qualitative methodology. They are flexible and adaptive, enabling responsiveness to context and emergent themes during data collection (Myers, 2013). Individually, each data source offers distinct analytical value, while collectively they provide a richer and more balanced account of governance systems and structures in Ghanaian banks. The following sections therefore elaborate on each data source in detail, beginning with semi structured interviews (Section 4.4.1), followed by documentary analysis (Section 4.4.2).

4.4.1 Semi-Structured Interviews and Participant Selection

This study adopted semi structured interviews as the primary method of data collection. Semi structured interviews are well established within qualitative research for their ability to generate detailed, in depth accounts of participants' experiences, perceptions, and interpretations (Kvale and Brinkmann, 2009; Bryman, 2012). Their emphasis on depth is particularly relevant for this research, which seeks to understand bank governance not only as a formal regulatory arrangement but as a socially constructed and contextually embedded practice. Through this approach, participants were able to articulate personal experiences, professional judgments, and interpretive narratives that significantly enriched the empirical data.

The use of semi structured interviews was especially appropriate given the complexity and sensitivity of banking governance in Ghana. Governance in this context operates at the intersection of formal regulatory frameworks and informal socio political practices, including trust networks, patronage, and power relations. Semi structured interviews provided the flexibility required to explore these layered realities and to probe beyond official or normative accounts of governance practices (Myers, 2013). As noted by Kvale and Brinkmann (2009), this flexibility enables probing and follow up questions, allowing meanings to be co constructed through interaction between researcher and participant. This interactive process aligns with the interpretivist stance of the study and its inductive logic, where understanding emerges from participants' lived realities rather than from predetermined categories.

Reflexivity was actively applied throughout the interview process. My professional background in Ghana's banking sector facilitated access and rapport, particularly when discussing sensitive issues such as regulatory failures, political interference, and boardroom dynamics. However, I remained aware that this insider positioning could shape both participants' responses and my own interpretations. To address this, I consciously encouraged participants to elaborate on assumptions that might otherwise have been taken for granted and actively sought contrasting or dissenting perspectives. This reflexive approach helped to minimise the risk of over familiarity while strengthening the credibility of the data (Finlay, 2002).

Participant selection was purposive, ensuring that interviewees possessed direct and relevant experience of banking governance in Ghana. Participants were drawn from key stakeholder groups, including current and former bank directors, regulators, consultants, auditors, senior executives of the Ghana Banking Association, and officials from the Ministry of Finance. Snowball sampling was used selectively to gain access to individuals with specialist or insider knowledge, particularly former directors of collapsed banks, whose insights were critical to understanding governance failures but were difficult to access through formal channels (Saunders et al., 2016).

An interview guide was developed to provide structure while maintaining flexibility. The guide comprised five broad thematic areas: background information; governance regulation and structure; internal board oversight and operations; board interaction with risk management, internal and external audit; and director appointment, remuneration, and performance evaluation. These themes were informed by the literature on corporate governance, neopatrimonialism, and banking sector reforms. While the guide offered a framework, interviews remained dynamic. Insights from earlier interviews informed subsequent discussions, reflecting the iterative and inductive nature of qualitative research.

Interviews were conducted in two phases. The first phase took place online between January and July 2023, while the second phase involved face to face interviews conducted between August and September 2023. Interview durations ranged from approximately 40 minutes to one hour and forty five minutes, allowing sufficient time for depth and reflection. Ethical considerations were prioritised throughout the process. Participants were assured of confidentiality and anonymity, interviews were audio recorded with consent, and all recordings were transcribed verbatim. Where recording was declined, detailed contemporaneous notes were taken.

A total of 49 participants were interviewed. The diversity of participants enabled analytical triangulation through comparison of perspectives across institutional roles and professional experiences. For example, accounts from former directors of failed banks were examined alongside narratives from regulators and consultants, allowing convergence and divergence in interpretations of governance practices to be identified. This strengthened the credibility of the findings and enabled interview data to be critically examined alongside documentary evidence, including official reports on banking sector reforms.

Table 1 Summary of Interview Participants, Institutional Category, Job Function, and Interview Duration]

Interview Code	**Institution Category**	**Job Function**	**Length of Interview**
INT1	Bank	Executive Director	1hour, 12min
INT2	Banking consultant	Consultant	59min
INT3	Bank	Non-Executive Director	1hour, 5min

INT4	Bank Consultant	Consultant	1hour, 40min
INT5	Bank	Executive Director	48min
INT6	Banking Consultant	Consultant	1hour, 20min
INT7	Bank	Independent Director	1hour, 10min
INT8	Bank	Ex-Auditor	55min
INT9	Bank	Bank Consultant	1hour, 15min
INT10	Bank	Board Secretary	50min
INT11	Bank	Executive Director	1hour, 20min
INT12	Bank	Executive Director	1hour, 10min
INT13	Bank	Executive Director	1hour, 35min
INT14	Bank	Ex-CEO/Director	58min
INT15	Bank	Executive Director	1hour, 12min
INT16	Bank	Non-executive director	1hour, 05min
INT17	Bank	Audit Committee Member	50min
INT18	Bank Consultant	Consultant	1hour, 20min
INT19	Bank	Independent Director	55min
INT20	Bank	Executive Director	1 hour
INT21	Bank	Executive Director	1hour, 10min
INT22	Bank Consultant	Consultant	1hour, 20min
INT23	Bank	Risk Director	50min
INT24	Bank Consultant	Consultant	1hour, 15min
INT25	Bank	Associate Executive Director	40min
INT26	Bank Consultant	Consultant	1hour, 05min

INT27	Bank	Non-Executive Director	55min
INT28	Bank Consultant	Consultant	1hour, 10min
INT29	Bank Consultant	Consultant	1hour, 3min
INT30	Government Ministry	Director	55min
INT31	Ex Regulator	Director	1hour, 20min
INT32	Government Ministry	Director	50min
INT33	Bank	Executive Director	52min
INT34	Bank	Non-Executive Director	1hour
INT35	Bank	Executive Director	55min
INT36	Bank	Non-Executive Director	1hour, 5min
INT37	Bank	Non-Executive Director	1hour, 10min
INT38	Bank	Executive Director	52min
INT39	Bank	Non-Executive Director	1hour, 05min
INT40	Bank	Executive Director	1hour, 20min
INT41	Bank	Non-Executive Director	1hour, 10min
INT42	Bank	Executive Director	1hour, 30min
INT43	Bank	Non-Executive Director	45min
INT44	Bank	Executive Director	57min
INT45	Regulator	Director	1hour
INT46	Bank	Retired bank director	1hour, 15min
INT47	Ex Regulator	Director	1hour 45min
INT48	Bank	Independent Director	55min
INT49	Bank	Ex-ED of bank board	1hour, 10min

The table above provides an overview of the participants, including their institutional category and job function. This information is important for demonstrating the breadth and relevance of the sample and for contextualising the analysis presented in subsequent chapters. The interview codes are used consistently throughout the findings chapter to attribute quotations while preserving participant anonymity.

Overall, the use of semi structured interviews allowed for a rich, context sensitive exploration of the interaction between formal governance frameworks and informal socio political practices within Ghana's banking sector. By embedding reflexivity throughout the data collection process, the study balanced insider access with critical analytical distance. The next section (4.4.2) builds on this by outlining the role of documentary evidence in further triangulating and contextualising the interview findings.

4.4.2 Documentary Evidence

In addition to semi structured interviews, this study employed documentary evidence as a key secondary data source. Documentary analysis is widely recognised in qualitative research as a means of accessing naturally occurring, non-reactive data that exists independently of the research process (Bowen, 2009; Scott, 2014). In this study, documentary evidence was selected both for its intrinsic analytical value and for its capacity to complement and triangulate interview data. As Denzin and Lincoln (2011) argue, the use of multiple data sources enhances the robustness of qualitative inquiry by enabling phenomena to be examined from different vantage points. Documentary evidence was therefore particularly valuable in examining banking governance in Ghana, a field shaped by formal regulation, institutional discourse, and historically situated reform processes.

A key strength of documentary evidence lies in its close association with real world practices and institutional decision making. Unlike interviews, which are produced through interaction between researcher and participant, documents are generated outside the research encounter. This externality reduces the influence of researcher presence and participant impression management, thereby providing an important counterbalance to interview data (Bowen, 2009). Reflexively, I treated documents not as neutral facts but as artefacts embedded within specific political, institutional, and temporal contexts. This required careful consideration of who produced each document, for what purpose, and under what conditions, particularly given my prior professional familiarity with Ghana’s banking sector.

Documentary evidence is also inherently social in nature. As Scott (2014) notes, documents are socially produced texts that reflect the norms, values, power relations, and institutional priorities of the contexts in which they are created. From a social constructivist perspective, documents do not merely record events but actively shape how problems, responsibilities, and solutions are framed. This was particularly relevant to this study, as official documents relating to banking reforms and corporate governance often presented normative narratives of stability, accountability, and compliance that contrasted with interviewees’ experiential accounts of informal influence, political patronage, and regulatory capture.

Another important advantage of documentary evidence is its temporal reach. While interviews capture perspectives at a specific moment in time, documents allow the researcher to trace developments across different periods (Scott, 2014). This was especially valuable in examining the evolution of Ghana’s banking reforms, the framing of the banking sector crisis, and the introduction of the new corporate governance code for banks. By analysing documents produced before, during, and after the banking sector clean up, I was able to situate interview narratives within a broader historical trajectory. Reflexively, this helped guard against over privileging contemporaneous accounts and enabled a more nuanced interpretation of continuity and change in governance practices.

The documents analysed included reports from administrators and receivers of collapsed banks, official publications from the Bank of Ghana and the Ministry of Finance, policy statements and press releases from the Ministry of Information, and reports from international institutions such as the International Monetary Fund and the World Bank. These documents were selected because they constitute authoritative texts that shaped the discourse, justification, and implementation of banking sector reforms. Their selection was therefore theoretically and empirically driven, aligning directly with the study's focus on bank governance and neo patrimonial systems.

Documentary analysis also enhanced triangulation by enabling comparison between formal regulatory narratives and stakeholders' lived experiences. For example, official reports framed bank collapses primarily in terms of poor risk management and weak board oversight, while interviews with former directors and consultants highlighted political interference and informal networks as critical underlying factors. This convergence and divergence between sources strengthened the analytical depth of the study and allowed key themes such as regulatory legitimacy, accountability, and reform effectiveness to be examined more critically.

Reflexivity was applied throughout the documentary analysis process. Given my familiarity with many of the institutions producing these documents, I consciously adopted a critical reading strategy, interrogating silences, emphases, and omissions within texts rather than treating them as objective representations. Following Scott's (2014) hermeneutic approach, I engaged with documents as part of an interpretive dialogue, situating them within their production contexts and examining how meanings were constructed and legitimised. This approach also informed the analytical phase, where documentary evidence was used not only to corroborate interview data but to question and complicate it.

Documentary evidence further addressed the complexity of the research context by broadening the scope of analysis beyond what could reasonably be achieved through interviews alone. While interviews necessarily focus on participants' most salient experiences within limited timeframes, documents allowed for systematic engagement with wider policy debates, reform rationales, and institutional responses to the banking crisis. This breadth was particularly important for understanding the structural and ideological foundations of governance reforms and their interaction with informal practices.

Overall, documentary evidence proved essential in enriching the study throughout the research process. As Wellington (2015) notes, documentary analysis can add depth, context, and credibility to qualitative research when used alongside interviews. Bowen (2009) similarly emphasises its value in triangulation, contextualisation, and the validation of findings. In this study, documentary evidence not only complemented interview data but also enabled a more critical and reflexive examination of banking governance in Ghana. The integration of these two data sources strengthened the study's interpretive rigor and provided a comprehensive foundation for the analysis presented in subsequent chapters.

4.4.3 Pilot Study

Prior to the commencement of the main data collection, a pilot study was conducted to assess the feasibility, clarity, and methodological robustness of the research design and instruments. Pilot studies are commonly undertaken in qualitative research as a preparatory phase that allows researchers to test data collection tools, anticipate practical challenges, and refine methodological choices before full scale implementation (Polit et al., 2001; van Teijlingen and Hundley, 2001). In this study, the pilot focused primarily on the semi structured interview guide and the initial application of thematic analysis, with the aim of strengthening the credibility, depth, and coherence of the subsequent data collection and analysis.

The pilot study involved five participants who were purposively selected through professional networks within Ghana's banking and regulatory environment. These participants possessed relevant experience in bank governance but were excluded from the main study to avoid contamination. Semi structured interviews were piloted because of their flexibility and suitability for exploring complex, context dependent governance dynamics. Conducting the pilot interviews enabled me to test whether the interview questions were capable of eliciting rich, detailed narratives concerning both formal governance structures and informal neo patrimonial practices.

Reflexivity was central to the pilot process. During the pilot interviews, I became aware that some early questions were framed in ways that assumed shared understandings of governance terminology. For example, initial questions referring broadly to "informal influence" generated vague responses, as participants interpreted the concept differently. Reflecting on this, and drawing on my awareness of my own familiarity with the sector, I revised these questions to include context specific prompts, such as references to political patronage, elite networks, and regulatory discretion. This adjustment improved clarity while avoiding leading questions, thereby supporting more nuanced and participant led accounts.

The sequencing of the interview guide was also refined through the pilot. Initially, questions relating to political and informal practices were positioned early in the interviews, which appeared to make some participants cautious. Reflexive review of interview notes and post interview reflections indicated that rapport had not yet been sufficiently established at that stage. Consequently, the guide was reorganised so that interviews began with participants' professional backgrounds and experiences of formal governance, gradually progressing towards more sensitive issues. This change enhanced participant openness and depth of disclosure in subsequent interviews.

The pilot also enabled practical assessment of interview duration. Pilot interviews ranged between 60 and 100 minutes. Through participant feedback and my own reflexive field notes, I determined that approximately 90 minutes provided sufficient time to explore key themes without causing fatigue. This informed the scheduling and pacing of interviews in the main study.

In addition to refining data collection, the pilot study extended to a preliminary application of thematic analysis following Braun and Clarke's (2006) framework. Pilot interview transcripts were transcribed verbatim and analysed through familiarisation, initial coding, and early theme development. This process revealed that some initial codes reflected my prior assumptions about governance failures rather than participants' meanings. Reflexively recognising this, I revised the coding approach to prioritise in vivo codes and descriptive labels in the early stages, postponing interpretive abstraction until later phases of analysis. This adjustment strengthened analytical rigour and ensured closer alignment with the inductive approach underpinning the study.

The pilot study also highlighted the need for clearer coding memos to document analytic decisions and reflexive insights. As a result, a reflexive journal and coding log were systematically incorporated into the main study to record emerging interpretations, positionality related reflections, and shifts in understanding throughout the analysis process.

While pilot studies have limitations, including the risk of overgeneralising from a small dataset or allowing pilot insights to shape expectations unduly (Kim, 2010), these risks were mitigated by excluding pilot data from the main analysis. The pilot was treated strictly as a developmental exercise rather than a source of substantive findings.

Overall, the pilot study played a critical role in strengthening the methodological coherence, reflexive awareness, and practical execution of the research. By refining the interview guide, enhancing interviewing practice, and testing early analytic procedures, the pilot directly contributed to the quality and credibility of the main data collection and analysis.

4.5 Data Analysis

Data analysis in this study was guided by a qualitative, interpretive orientation and followed a thematic analysis approach informed by Braun and Clarke's (2006) six phase framework. This section provides an overview of the analytical strategy adopted, explaining its suitability for the research objectives, epistemological positioning, and the nature of the data generated. The detailed operationalisation of the framework, the interpretive process, and the analytical procedures are subsequently addressed in Sections 4.5.1, 4.5.2, and 4.5.3 respectively.

Thematic analysis was selected because it is particularly well suited to examining participants' subjectivities, lived experiences, and meaning making processes within complex social and institutional contexts. As Braun and Clarke (2006; 2020) argue, thematic analysis enables researchers to identify, analyse, and interpret patterned meanings across qualitative datasets while remaining sensitive to context and power relations. This capacity was central to this study, which seeks to understand how formal governance structures and informal neo patrimonial practices interact within Ghana's banking sector. The approach allows governance to be examined not merely as a set of formal rules, but as a socially constructed and negotiated practice shaped by relationships, histories, and institutional norms.

Thematic analysis was particularly appropriate given the study's focus on governance dynamics that are often implicit, informal, and not easily observable through quantitative indicators. Prior studies have highlighted that in contexts such as Ghana, informal practices and relational forms of power are deeply embedded within organisational life and regulatory processes (Alawattage et al., 2007). Thematic analysis facilitates the exploration of such dynamics by enabling attention to both explicit accounts and underlying assumptions within participants' narratives, as well as points of convergence and divergence across stakeholder groups.

In this study, thematic analysis was applied inductively, allowing themes to emerge from the data rather than being imposed a priori. This inductive orientation aligns with the interpretivist paradigm and the study's epistemological stance that knowledge is co constructed between researcher and participants. In practical terms, this meant that while the research questions and interview guide provided an analytical focus, coding remained open and responsive to issues raised by participants themselves. For example, themes relating to informal influence, regulatory discretion, and board level power relations became more prominent during analysis than initially anticipated, reflecting participants' own emphases rather than predefined theoretical categories.

Reflexivity was integral to the analytical process and was actively practiced throughout data analysis. As a researcher with prior professional exposure to the banking sector, I was conscious that my familiarity with governance discourse could shape how data were interpreted. To address this, reflexive memos were maintained alongside coding to document analytic decisions, emerging assumptions, and moments of interpretive tension. This practice helped me to interrogate whether interpretations were grounded in participants' accounts or influenced by my prior experiences. In several instances, early interpretations were revisited and refined after cross checking with interview excerpts and documentary evidence, reinforcing analytical transparency and credibility.

The thematic analysis framework also provided a systematic structure for managing a large and diverse qualitative dataset. Braun and Clarke's (2006) sequential phases offered a clear analytical pathway from data familiarisation through to theme development and refinement, supporting methodological rigour while retaining flexibility. This balance between structure and adaptability was essential given the breadth of data sources and the complexity of the governance issues examined. The framework enabled patterns to be identified across interviews with different stakeholder groups while remaining attentive to contextual specificity.

Furthermore, thematic analysis supported analytical triangulation by allowing interview data and documentary evidence to be analysed both independently and comparatively. This facilitated the identification of consistencies and contradictions between formal policy narratives and lived governance practices, strengthening the robustness of the findings. The credibility of thematic analysis as a widely established qualitative method also contributes to the trustworthiness of the study, as it has been extensively applied and validated across governance and organisational research (Braun and Clarke, 2020; Nowell et al., 2017).

4.5.1 Thematic Analysis Framework

This study adopted thematic analysis as its core analytical framework, drawing explicitly on Braun and Clarke's (2006) six-phase approach. The framework was selected because of its suitability for analysing rich qualitative data in a systematic yet flexible manner, particularly within interpretive research that seeks to understand meaning, subjectivity, and context. Thematic analysis is not tied to a single epistemological position; however, when applied inductively and reflexively, it aligns closely with interpretivist and social constructivist assumptions, which underpin this study (Braun and Clarke, 2020).

In this research, thematic analysis was used to examine how formal governance structures and informal neo-patrimonial practices interact within Ghana's banking sector. The framework allowed patterns of meaning to be identified across interview and documentary data while remaining attentive to power relations, institutional contexts, and participants' lived experiences. Reflexivity was embedded throughout the analytical process, with ongoing reflection on how my professional background in banking shaped coding decisions, theme development, and interpretation.

A summary of Braun and Clarke's (2006) six phases as applied in this study is presented in Table 2. The subsequent subsections (4.5.1.1–4.5.1.6) elaborate on how each phase was operationalised in practice.

Table 2 Thematic Analysis Process (adapted from Braun and Clarke, 2006)

Familiarizing yourself with your data	The process involves transcribing any essential data, carefully reading and reviewing the data multiple times, and recording initial ideas.
Generating initial codes	Systematically coding the interesting features of the data set and organising the appropriate data for each code.
Searching for themes	The process involves organising codes into potential themes and collecting all pertinent data associated with each potential theme.
Reviewing themes	The purpose of this analysis is to assess the alignment between the identified themes and the coded extracts at Level 1, as well as the whole data set at Level 2. This process will result in the creation of a thematic 'map' that represents the overall findings of the investigation.
Defining and naming themes	Continual analysis is being conducted in order to enhance the precision of each theme and the comprehensive narrative that the analysis presents, resulting in the development of distinct definitions and labels for each theme.
Producing the report	The concluding chance for examination. The process involves the careful curation of vivid and captivating excerpts as well as a thorough examination of these selected extracts. This analysis is then connected back to the research topic and existing literature, resulting in the creation of a scholarly report that presents the findings.

4.5.1.1 Phase 1: Familiarising Yourself with the Data

The first phase involved deep immersion in both primary and secondary data. This began with the verbatim transcription of 49 semi-structured interviews, alongside a systematic review of documentary evidence, including Bank of Ghana reports, Ministry of Finance publications, IMF and World Bank reports, and administrators' and receivers' reports relating to collapsed banks. Engaging with both data sources at this early stage reinforced triangulation and enabled preliminary connections between lived experiences and formal policy narratives.

In total, the combined dataset comprised approximately 764 pages of text. Familiarisation involved repeated close reading of transcripts and documents, alongside extensive note-taking and the writing of reflexive memos. These memos recorded initial observations, emerging patterns, and moments where my prior professional assumptions were challenged or confirmed by participants' accounts. For example, while my banking background predisposed me to view governance failures primarily through regulatory capacity gaps, early familiarisation revealed the centrality participants placed on informal influence and political patronage, prompting conscious analytical openness.

This phase was critical in grounding the analysis in the data rather than preconceived theoretical expectations. Initial ideas generated at this stage informed, but did not constrain, subsequent coding.

4.5.1.2 Phase 2: Generating Initial Codes

The second phase involved systematic coding of the entire dataset. Coding was conducted manually to maintain close engagement with the data and to facilitate reflexive sensitivity to nuance, tone, and context. Codes were applied to both explicit statements and latent meanings, capturing not only what participants said but also how they framed responsibility, power, and accountability.

Coding was iterative rather than linear. As new interviews were analysed, earlier transcripts were revisited, allowing codes to be refined and expanded. Reflexivity was particularly important at this stage; I actively questioned whether certain codes reflected participants' meanings or my own professional interpretations. For instance, references to "board weakness" were initially coded uniformly but later disaggregated into distinct codes relating to expertise, independence, political appointment, and remuneration incentives.

This phase generated a broad coding framework that captured governance mechanisms, informal practices, reform narratives, and institutional constraints.

4.5.1.3 Phase 3: Searching for Themes

In the third phase, related codes were collated into potential themes. This involved moving from descriptive coding to more interpretive pattern recognition. Themes were not treated as fixed categories but as evolving analytical constructs that captured recurring and meaningful patterns across the dataset.

Reflexivity guided this process by encouraging attentiveness to whose perspectives were shaping emerging themes. For example, the theme later labelled "big-man culture" emerged across interviews with directors, regulators, and consultants, but with differing emphases. Rather than privileging a single account, the theme was developed to reflect these multiple perspectives while retaining analytical coherence.

Preliminary themes included neo-patrimonialism, token compliance, big-man culture, banking reforms, compensation structures, and internal versus external governance mechanisms.

4.5.1.4 Phase 4: Reviewing Themes

The fourth phase involved rigorous review and refinement of themes at two levels. At Level 1, coded extracts were examined to assess coherence within each theme. At Level 2, themes were reviewed against the entire dataset to ensure they accurately represented participants' accounts and did not overlook contradictory evidence.

Several themes were merged, refined, or discarded during this phase. Reflexive engagement was crucial, particularly when themes aligned too closely with dominant policy narratives. For instance, an early theme on "regulatory failure" was reframed to reflect participants' more nuanced accounts of regulatory constraint, political interference, and selective enforcement.

This iterative review ensured that themes captured both complexity and contradiction within Ghana's banking governance landscape.

4.5.1.5 Phase 5: Defining and Naming Themes

Once themes were finalised, each was clearly defined and named to reflect its analytical focus. A thematic chart was developed to visualise relationships between themes and sub-themes, supporting transparency and analytical clarity

Table 3 Thematic Chart

Themes	**Sub-Themes**	**Illustrative Quotes/Findings**
Neopatrimonialism	Board expertise, political ties	"*Appointments are often made not on merit but on connections, undermining the board's independence and oversight.*" (INT 48)
Token Compliance	Superficial reforms, lack of enforcement	"*Regulations exist only on paper, with little accountability in actual practice.*" (INT 46)
Big-Man Culture	Informal hierarchies, patronage	"*Decisions are made by a few powerful individuals, sidelining formal processes.*" (INT 36)
Banking Reforms	Implementation challenges, external pressures	"*The reforms are driven more by IMF and World Bank demands than by domestic commitment to change.*" (INT 28)
Compensation Structure	Misaligned incentives, lack of transparency	"*Pay structures often reward short-term risk-taking, ignoring long-term stability.*" (INT 9)
Governance Mechanisms	Internal oversight, external regulation	"*Regulators often lack the resources or political will to enforce accountability effectively.*" (INT 27)

Defining themes at this stage involved reflexive scrutiny to ensure they remained grounded in data rather than abstract theory. Cross-referencing interview findings with documentary evidence further strengthened thematic validity

4.5.1.6 Phase 6: Writing Up

The final phase involved integrating the thematic analysis into a coherent analytical narrative. This included selecting vivid and representative extracts, situating findings within existing literature, and linking themes directly to the research questions.

Writing was itself treated as an analytical act, with reflexive attention to voice, representation, and power. Care was taken to foreground participants' perspectives while maintaining critical distance. The resulting analysis provides a context-sensitive account of governance in Ghana's banking sector, highlighting how formal reforms interact with entrenched informal practices.

Overall, the thematic analysis framework offered a rigorous, reflexive, and inductive means of analysing complex qualitative data. Its structured yet adaptable nature made it particularly suited to examining governance in neo-patrimonial contexts, contributing empirically grounded insights to debates on banking governance and reform in Ghana and similar settings.

4.5.2 Interpretation Process

Interpretation constituted a central and deliberate component of the analytical process in this study. While the preceding section (4.5.1) outlined the systematic procedures through which themes were developed, this section focuses on how meaning was actively constructed from those themes. In line with Braun and Clarke's (2006; 2020) position, interpretation in thematic analysis goes beyond description to involve the researcher's theoretically informed and reflexive engagement with the data. Accordingly, themes were not treated as self evident or purely emergent, but as interpretive outcomes shaped through interaction between participants' accounts, contextual knowledge, and my analytical positioning.

Interpretation was undertaken iteratively across all phases of analysis rather than as a discrete final step. As an interpretivist study, meaning was understood as socially constructed and context dependent, requiring careful consideration of institutional settings, power relations, and researcher positionality (Schwartz Shea and Yanow, 2012). In practical terms, this meant that participants' narratives were interpreted not only in terms of what was said, but also how and why particular governance practices were framed, justified, or normalised within Ghana's banking environment.

My professional background in the banking sector inevitably shaped how I initially made sense of participants' accounts. Reflexivity, as introduced in Section 4.2, was therefore consciously applied throughout the interpretation process. For example, where participants attributed governance failures primarily to political interference, I reflected on my own tendency, shaped by regulatory and professional training, to prioritise institutional capacity explanations. This reflexive engagement prompted a deeper analytical focus on informal authority and relational power, enabling interpretations that more accurately reflected participants' lived experiences rather than technocratic assumptions.

Interpretation also required careful engagement with subjectivity, which Braun and Clarke (2020) identify as an inherent and productive feature of qualitative analysis rather than a methodological weakness. In this study, subjectivity was addressed through transparency in analytic decision making, reflexive memo writing, and continual comparison across interviews and documents. Interpretive choices were explicitly documented, particularly where multiple plausible meanings existed. For instance, references to compliance were interpreted differently depending on whether they reflected substantive adherence to governance frameworks or symbolic conformity driven by regulatory or international pressure.

Interpretation was not confined to interview data alone. Documentary sources, including reports from the Bank of Ghana, the International Monetary Fund, and the World Bank, were interpreted alongside participant narratives. This allowed tensions between official governance discourses and everyday governance practices to be analytically explored. Such interpretive comparison strengthened the analysis by revealing discrepancies between formal reform narratives and how governance was enacted in practice.

Overall, interpretation in this study was an active, reflexive, and theoretically grounded process. It enabled movement from descriptive accounts of governance arrangements to deeper analytical insights into neopatrimonialism, informal power relations, and regulatory constraint. By explicitly acknowledging my role in meaning making, the study aligns with contemporary qualitative standards that emphasise reflexive interpretation as central to analytical rigour (Braun and Clarke, 2006; Alvesson and Sköldberg, 2018). This interpretive foundation informs the detailed analytical procedures discussed in Section 4.5.3.

4.5.3 Analysis Process

The analysis process in this study built upon the thematic framework and interpretive procedures outlined in Sections 4.5.1 and 4.5.2. Its primary aim was to systematically examine the collected data for patterns, relationships, and contradictions while maintaining reflexivity throughout. Unlike mere description, the analysis focused on making sense of participants' lived experiences, the socio-political context, and the interplay between formal governance structures and informal networks in Ghana's banking sector.

A key feature of this analysis was its attention to both explicit and implicit content within the data. For instance, discussions regarding board decision-making revealed surface-level adherence to formal governance codes, yet deeper probing uncovered how cultural norms, personal loyalties, and reciprocal obligations frequently influenced outcomes. By integrating interview narratives with documentary evidence, including Bank of Ghana reports and IMF assessments, I was able to trace how informal practices often coexisted with, or even undermined, official regulations. This reflexive approach allowed me to remain aware of my own assumptions, particularly regarding regulatory effectiveness, and to critically interpret participants' accounts in light of contextual nuances (Braun & Clarke, 2020; Finlay, 2002).

Practical reflexivity was applied continuously during coding and theme development. For example, while analyzing discussions on director appointments, I noticed an initial bias to view political interference as marginal. Reflexive journaling prompted me to revisit the transcripts and consider the subtleties in how participants described patronage and 'big man' influence. This led to a richer interpretation of neo-patrimonialism as a pervasive factor affecting both internal and external governance mechanisms. Similarly, cross-referencing accounts from former bank directors with secondary data highlighted inconsistencies between formal policies and everyday practice, enabling a more nuanced, evidence-based understanding of governance challenges.

Flexibility in analysis allowed iterative engagement with the data. Themes were continuously refined, merged, or redefined as new insights emerged. For example, the preliminary theme of "compliance" was split into "token compliance" and "substantive compliance" after noticing differences between regulatory reporting and actual practice. This step demonstrates practical reflexivity: actively adjusting the analytical framework in response to emergent data rather than forcing it to conform to pre-existing assumptions (Alvesson & Sköldberg, 2018).

The analysis also considered power asymmetries within the banking sector. By systematically examining patterns related to board hierarchies, political ties, and audit processes, I could identify how formal structures were often shaped or constrained by informal socio-political relationships. Each analytic decision was accompanied by reflective notes on my positionality, including my professional background and prior assumptions, ensuring that interpretations remained grounded in participants' perspectives rather than personal biases.

Overall, this analysis process enabled the integration of multiple data sources, facilitated iterative theme refinement, and produced a contextually rich, reflexively informed understanding of governance in Ghanaian banks. It captured the dynamic interactions between formal regulation, informal practices, and stakeholder interpretations, providing a robust foundation for the subsequent discussion of findings.

4.6 **Challenges**

4.6.1 Methodological Challenges

While thematic analysis is widely recognised as a flexible and insightful qualitative research method, it presents specific methodological challenges that require careful management to maintain rigor and credibility (Braun & Clarke, 2006; Guest et al., 2012). In this study, these challenges were addressed in a practical and reflexive manner, ensuring that they did not compromise the quality or validity of the analysis.

One of the most significant challenges encountered was the labour- and time-intensive nature of thematic analysis. With a dataset comprising 49 semi-structured interviews and 764 pages of documentary evidence, coding, categorising, and iteratively refining themes required sustained engagement over several months. This iterative process is essential for ensuring that emerging themes comprehensively and accurately reflect the data (Braun & Clarke, 2006). In practice, I managed this challenge by developing a structured schedule for coding, regular progress reviews, and maintaining detailed analytical memos to track the evolution of themes. This disciplined approach prevented the iterative process from becoming overwhelming or unfocused.

A second challenge relates to subjectivity and interpretation, which is inherent in thematic analysis. Themes are shaped by the researcher’s prior knowledge, assumptions, and experiences (Guest et al., 2012). In my case, my decade-long professional experience in Ghana’s banking sector, including reviewing loan applications, assessing financial risks, and observing governance processes, could have inadvertently influenced the identification and interpretation of themes. Recognising this, I adopted a reflexive approach throughout the analysis. For example, while coding discussions on board appointments, I deliberately paused to question my initial assumptions regarding political interference, revisiting transcripts to ensure interpretations remained grounded in participants’ narratives rather than my own expectations (Finlay, 2002). Reflexive journaling was used to document these reflections, creating an audit trail that enhanced transparency and credibility.

The open-ended and flexible nature of thematic analysis also presented challenges in maintaining consistency and accuracy. Unlike structured methods, thematic analysis does not prescribe a rigid protocol, which can make theme development more susceptible to inconsistency (Babbie, 2010; Vaismoradi et al., 2013). For instance, the semi-structured interviews allowed participants to explore a wide range of topics, which required continual adjustment of codes and sub-themes. To address this, I applied an iterative coding strategy: initial codes were reviewed and refined multiple times, and coding decisions were documented with explicit rationale. I also cross-referenced themes across interviews and documentary sources to ensure coherence and reliability.

Another methodological concern relates to replicability and validation. Since thematic analysis is interpretive, different researchers might identify different themes from the same dataset (Vaismoradi et al., 2013). To enhance validity, I implemented targeted member checking with selected participants, including representatives from the Ghana Association of Banks and key bank executives (INT 4, 17, 21), to verify that my interpretations accurately reflected their perspectives (Bloor, 2001). This practical step reinforced the credibility of the thematic structure while also demonstrating reflexive engagement with participant viewpoints.

The experience and expertise gained from my professional background directly supported the rigorous application of thematic analysis. My prior work in banking required continuous attention to both explicit details and implicit patterns, such as risk signals, relational dynamics, and governance compliance. This professional reflexivity translated into research practice, enabling careful examination of participants' narratives and documentary evidence without imposing preconceived assumptions. By continuously reflecting on how my knowledge and experiences could influence coding and theme development, I ensured that the analysis remained systematic, transparent, and grounded in empirical data. The next section will look practical challenges.

4.6.2 Practical Challenges

Conducting interviews and collecting data in Ghana presented several practical challenges, reflecting the broader socio political, economic, and cultural context in which this study was situated. These challenges required careful management to ensure the research remained rigorous and ethically sound while maintaining reflexivity throughout the process (Finlay, 2002; Braun and Clarke, 2006).

A major challenge was the reluctance of participants to be recorded during interviews. Many interviewees expressed concerns over confidentiality and potential repercussions when discussing sensitive topics such as political interference, corruption, or the influence of neo patrimonial networks on bank governance. To address this, I relied on extensive note taking as a primary recording method, while providing repeated assurances of anonymity and confidentiality. Reflexively, I continually monitored my own reactions and assumptions to avoid letting this limitation reduce my attentiveness to subtleties in tone, hesitation, or emphasis, ensuring that important qualitative data were still captured.

The financial and logistical demands of fieldwork in Ghana also posed significant challenges. Travel across multiple locations, accommodation, local transportation, and coordination of interviews required careful budgeting and time management. Visiting remote or high security financial institutions demanded additional planning, including leveraging personal professional networks to gain access to key stakeholders. Reflexively, I noted how my prior experience in the Ghanaian banking sector facilitated smoother access and informed my judgement regarding timing and scheduling of interviews.

Identifying and securing interviews with key stakeholders was another practical hurdle. Many senior participants were hesitant to speak openly due to the sensitive nature of governance discussions and their high profile roles. In some instances, gatekeepers controlled access, requiring repeated follow ups, negotiation, and leveraging professional contacts. Reflexivity was critical here; I had to remain conscious of my own biases and preconceptions about who might be influential, ensuring I did not overlook potentially significant but less visible participants.

Accessing official reports and documents from institutions such as the Bank of Ghana, the Ministry of Finance, and other regulatory bodies proved time consuming. Many reports were restricted, required formal requests, or had delays of several weeks. In response, I maintained meticulous records of requests and follow ups and triangulated any available secondary data with interview findings to enhance the credibility of the analysis. Reflexively, I recognized that my interpretation of incomplete documentation could be influenced by prior expectations, prompting careful cross referencing and annotation to minimize bias.

Cultural dynamics presented additional challenges during interviews. Participants often approached sensitive topics, such as political influence, governance failures, and corruption, with caution. Reflexively, I adapted my questioning techniques, using indirect probes and scenario based questions to elicit deeper insights without causing discomfort or defensiveness, ensuring that participants’ perspectives were authentically represented.

Scheduling interviews with high ranking officials was persistently difficult due to competing professional demands. Meetings were frequently postponed or cancelled at short notice, requiring flexibility in planning and prioritization. Reflexively, I had to continuously assess how my own expectations about data collection timelines could influence stress or decision making, adjusting my approach to remain patient, persistent, and professional.

Conducting online interviews introduced further practical challenges. Nineteen interviews were conducted via Zoom or telephone due to cost and logistical constraints. Poor connectivity, lagging video, and occasional dropped calls disrupted the flow of conversations. Reflexively, I adjusted by switching to telephone calls when necessary and noted how the lack of visual cues influenced interpretation, compensating by carefully tracking tone, pauses, and word choice in detailed notes. I also considered participants' comfort and privacy concerns in online settings, reflecting on how these factors might influence the candour of responses. The next section will look at the ethical consideration during the research.

4.7 Ethical Considerations

Ethics are fundamental to all research across disciplines, providing a framework for conducting studies responsibly and with integrity (Rastogi, 2018; DeCosta, 2016). In line with this, prior to commencing fieldwork, I submitted a detailed application to the University's Ethics Committee and received formal ethical approval on 14 February 2023 (reference number ETH2223-0901). This approval guided the conduct of all research activities, ensuring adherence to university standards as well as wider professional norms, including the codes of conduct outlined by the Ghana Association of Banks and best practices in qualitative research.

Pimple (2002) proposed three core values for ethical research: honesty in reporting and representing data, impartiality in citing and using the work of others, and discernment in conducting meaningful and useful studies. Building on this, Emanuel et al. (2004) emphasized additional principles, including validity, equitable participation, and scientific or societal value. These combined frameworks provided practical guidance throughout this study, reminding me to balance rigorous analysis with respect for participants' rights and the social relevance of the research. Reflexively, I continuously considered how my positionality as a former banking professional in Ghana might influence data interpretation, ensuring that my analysis remained both objective and contextually informed.

A central ethical responsibility in social science research is protecting participants' privacy and ensuring informed consent (Keys and Hendricks, 1984). Prior to all interviews, I obtained written, informed, and voluntary consent from participants. The consent forms were written in clear, accessible language, and were accompanied by detailed information sheets outlining the study's objectives, potential risks and benefits, participants' right to withdraw at any time without providing a reason, and assurances of confidentiality. In practice, this meant that during interviews, I explicitly reiterated these points and provided opportunities for participants to ask questions or seek clarification, which helped build trust and encouraged candid responses. Reflexively, I monitored my own assumptions about participants' willingness to share sensitive information, adjusting my questioning and approach to avoid pressuring participants or compromising their comfort.

To preserve confidentiality, all data collected were anonymized during transcription, coding, and storage, unless participants explicitly requested otherwise. Physical documents and recordings were stored in a securely locked location, while digital files were password protected. Access was restricted solely to myself, and all data handling followed the guidelines in the University's Handbook for Research Ethics and Governance. Reflexively, I was aware of the dual responsibility of protecting sensitive information while ensuring sufficient detail remained for robust analysis; I continually assessed how my decisions about anonymization might affect the integrity and richness of the data.

Finally, data retention and disposal were carefully planned in accordance with institutional requirements. While ethical approval mandated secure storage of data during the study, I ensured that all materials would be retained only for the period specified by the University for verification purposes and then securely disposed of, in compliance with university and professional guidelines.

4.8 Chapter Summary

This chapter has presented a comprehensive account of the research methodology employed to investigate governance dynamics in Ghana's banking sector, with particular attention to the influence of neo-patrimonial practices and the implementation of banking reforms. The chapter has detailed the qualitative research approach adopted, which was deemed most appropriate for exploring the complexities of governance, capturing both formal institutional arrangements and the informal socio-political dynamics that shape bank governance in Ghana. This approach aligns with the study's interpretive paradigm, emphasizing the examination of subjective experiences, power relations, and contextual factors influencing governance practices.

Data collection combined in-depth semi-structured interviews with 49 participants, including current and former bank directors, regulators, auditors, senior officials from the Ministry of Finance, and representatives from the Ghana Bankers Association. Participants were selected based on their direct engagement with corporate governance processes and their experience of critical events, such as banking collapses and sector reforms. These interviews provided nuanced insights that complemented secondary sources, including archival reports, regulatory documents, and policy papers, enabling a triangulated approach to understanding governance challenges and institutional responses.

A pilot study was conducted prior to the main data collection to assess the clarity, relevance, and feasibility of the interview instruments. Reflexive engagement during this phase allowed for the refinement of question phrasing, the adaptation of interview structure, and the calibration of probing strategies. This iterative process strengthened the reliability and depth of the data obtained during the full study.

Data analysis followed Braun and Clarke's (2006) thematic analysis framework, operationalized across six sequential stages: familiarization with the data, generating initial codes, searching for themes, reviewing themes, defining and naming themes, and producing the final report. Reflexivity was embedded throughout the analysis, ensuring that the researcher remained conscious of how personal experiences, assumptions, and prior professional knowledge in the Ghanaian banking sector influenced the interpretation of both explicit and latent content. This approach facilitated the identification of key themes, including internal and external governance mechanisms, token compliance, the impact of neo-patrimonialism on board expertise and decision-making, and the challenges encountered in implementing banking reforms. The iterative coding and cross-referencing of primary and secondary data enhanced the credibility, depth, and contextual sensitivity of the findings.

The chapter has also addressed both methodological and practical challenges encountered during the study. Methodological challenges included the labour-intensive nature of thematic analysis, the need to balance subjectivity with analytic rigor, and the flexible yet non-standardized nature of qualitative coding. Practical challenges encompassed participant reluctance to be recorded, high fieldwork costs, difficulties in accessing key stakeholders and official documents, cultural sensitivities, and logistical issues such as scheduling and connectivity for online interviews. Reflexive practices and adaptive strategies were employed to mitigate these challenges, ensuring that data collection and analysis remained rigorous and ethically sound.

Ethical considerations were central to all stages of the research. Formal ethical approval was obtained from the University Ethics Committee, and participants provided written, informed, and voluntary consent. Confidentiality and anonymity were rigorously maintained, with secure storage of all data, and adjustments were made when participants opted not to be recorded, ensuring that their perspectives were accurately documented. Ethical vigilance was complemented by reflexivity, which guided the researcher in navigating the interplay between professional experience, potential biases, and the ethical responsibilities owed to participants.

5. CHAPTER FIVE): CONTEXTUAL FOUNDATIONS OF BANK GOVERNANCE IN GHANA

5.1 Introduction

This chapter provides the formal contextual foundation for understanding bank governance and accountability in Ghana. Together with Chapters 6 and 7, it forms part of the empirical findings of this study, drawing on semi structured interviews and documentary analysis. While the subsequent chapters focus more directly on neopatrimonial dynamics and their implications for governance practice, this chapter establishes the institutional, regulatory, and reform-oriented context within which such dynamics operate.

The chapter focuses primarily on the formal architecture of Ghana's banking sector. It examines the historical development of banking institutions, the regulatory and legal frameworks governing the sector, and major reform initiatives designed to enhance financial stability, accountability, and prudential oversight. By setting out these formal structures, the chapter provides a baseline against which the influence and persistence of informal governance practices can be analysed in later chapters.

Section 5.2 traces the institutional history of Ghana's banking sector from the colonial period through post independence state led banking, financial liberalisation, and recent regulatory consolidation. This historical overview highlights how formal governance institutions evolved over time and shaped contemporary governance arrangements. Section 5.3 examines the regulatory and legal framework governing banking in Ghana, focusing on the roles and mandates of key institutions such as the Bank of Ghana and the Ministry of Finance, as well as the statutory instruments underpinning supervision and enforcement.

Section 5.4 evaluates key banking reforms, including post liberalisation reforms and the recent financial sector clean up, assessing their objectives and outcomes in addressing governance failures and systemic risk. Section 5.5 examines formal accountability mechanisms within the banking sector, including board responsibilities, supervisory oversight, and enforcement processes. Section 5.6 focuses on the implementation of international banking standards, particularly the Basel framework, and explores the challenges of aligning global regulatory norms with domestic institutional realities. Section 5.7 concludes the chapter.

5.2 Institutional History of Ghana's Banking Sector

The institutional history of Ghana's banking sector reflects an enduring interaction between colonial administrative legacies and post independence state building efforts. This interaction has profoundly shaped the formal structures of banking governance while simultaneously embedding informal practices that continue to influence accountability, credit allocation, and regulatory effectiveness. The origins of modern banking in Ghana lie in the late nineteenth century during the colonial period, when banking institutions were established primarily to support imperial trade, fiscal administration, and external commercial interests rather than domestic economic development.

Formal banking in the Gold Coast began with the establishment of the Bank of British West Africa in 1896, followed by Barclays Bank Dominion Colonial and Overseas in 1917. These institutions were created to facilitate trade financing, currency circulation, and fiscal operations linked to British commercial enterprises and colonial administration. As Uche (2003) demonstrates, colonial banks functioned as integral components of imperial governance, prioritising the needs of European trading firms, exporters, and mining companies while systematically excluding indigenous economic actors. Banking services were concentrated among expatriate firms and colonial authorities, reinforcing a segmented financial system that marginalised African entrepreneurs.

This selective banking model entrenched a dualistic financial structure in which access to formal credit was determined by proximity to colonial power rather than commercial viability. Empirical historical evidence shows that African businesses faced persistent discrimination in loan approvals and were largely excluded from long term credit facilities (Austin and Uche, 2007). The result was a financial system that reproduced inequality and concentrated financial power within a narrow elite. These institutional arrangements did not merely reflect economic priorities but also established governance norms that privileged discretion, personal connections, and political alignment over formal rules.

At independence in 1957, Ghana inherited this exclusionary banking structure. The post independence government sought to reform the sector by expanding state ownership and increasing access to finance for indigenous businesses. Central to this strategy was the establishment of the Bank of Ghana as the central bank and the expansion of state owned commercial banks such as the Ghana Commercial Bank. These reforms were intended to support national development, industrialisation, and financial inclusion. However, the legacy of colonial governance practices proved difficult to dismantle.

Scholars consistently note that state led banking expansion in the post independence period became deeply intertwined with political patronage. Hutchful (2002) and Frimpong Ansah (1991) document how political loyalty increasingly shaped senior appointments and lending decisions within public banks. Rather than replacing colonial exclusion with merit-based governance, state ownership often facilitated new forms of political control over credit.

Lending decisions were frequently influenced by party affiliation and political connections, resulting in weak risk management and rising non performing loans.

The experience of the Ghana Commercial Bank illustrates this dynamic clearly. Although established to support local enterprise, by the mid 1960s a substantial proportion of its lending was directed toward state owned enterprises and politically connected firms. Esseks (1971) shows that this pattern reflected a shift from colonial commercial privilege to domestic political patronage, rather than a transformation of governance norms. The institutional form of banking changed, but underlying practices of discretion and elite capture persisted.

These developments reinforced neo patrimonial governance patterns within the banking sector. Formal rules and regulatory structures existed, but their application was frequently mediated by informal networks of power. Frimpong Ansah (1991) argues that post colonial financial institutions inherited not only colonial administrative structures but also their underlying logic of personalised authority. This continuity explains why formal reforms repeatedly failed to produce sustained improvements in governance and stability.

By the late twentieth century, Ghana’s banking sector had undergone multiple waves of reform, including liberalisation and regulatory strengthening. Yet the historical persistence of informal governance practices continued to shape institutional behaviour. Brownbridge and Gockel (1998) demonstrate that weak enforcement of prudential regulation and politically influenced lending remained central contributors to banking fragility prior to later reforms. The historical foundations of these challenges lie in the institutional trajectory established during the colonial and early post independence periods.

5.3 Regulatory and Legal Frameworks and Structures in the Ghanaian Banking Sector and Neo-patrimonial Practices

The Bank of Ghana (BoG) stands at the centre of Ghana's banking sector, serving as the primary regulatory authority responsible for overseeing the operations of all banks within the country. As the central bank, the BoG's role is critical in maintaining the stability and integrity of the financial system. It sets prudential standards, conducts monetary policy, and ensures that banks adhere to regulatory requirements that are designed to safeguard depositors' funds and promote economic stability. The actions and decisions of the BoG have a profound impact on the broader financial landscape in Ghana, influencing both domestic and international perceptions of the country's banking sector.

However, the regulatory framework in Ghana is not solely managed by the Bank of Ghana. The Securities and Exchange Commission (SEC) also plays a significant role, particularly in overseeing the securities market and ensuring compliance with securities laws. The SEC's responsibilities extend to institutions that, while primarily involved in securities trading, interact with the banking sector through investment activities and capital market operations. The Ghana Stock Exchange (GSE) complements this by providing a platform for companies to list their shares and for financial instruments to be traded, thus facilitating capital formation and investment opportunities.

Additionally, the Ghana Deposit Protection Corporation (GDPC) plays a crucial role by providing insurance coverage for bank deposits, which adds an extra layer of security for consumers and enhances overall confidence in the banking system. Together, these institutions form a comprehensive regulatory network that aims to maintain the soundness and integrity of Ghana's financial sector.

Despite the presence of these formal regulatory structures, the influence of neo-patrimonial practices remains pervasive, often undermining the effectiveness of regulation and oversight. The financial sector reforms and clean-up from 2017 to 2019, which included the restructuring of the banking sector, revealed significant weaknesses in the regulatory framework (Bank of Ghana, 2018). A major issue was the lack of effective communication and coordination among the various regulatory bodies, leading to gaps in oversight and enforcement. An executive director within the banking sector highlighted the confusion arising from these regulatory gaps:

> *"Some of the SEC-licensed institutions were operating as if they had the authority to collect deposits from clients. However, according to their licenses, they are not permitted to take deposits directly from clients. Instead, they are supposed to act as intermediaries between their clients and Bank of Ghana licensed institutions. Who is overseeing this? There seems to be confusion everywhere."*
>
> (INT 44)

This quote underscores the challenges posed by overlapping regulatory responsibilities and the lack of clear communication between key regulatory institutions like the SEC and the BoG. Such ambiguities can lead to regulatory arbitrage, where institutions exploit these gaps to engage in practices that may not align with their regulatory permissions, ultimately destabilizing the financial system.

.In response to the vulnerabilities revealed by the banking sector crisis, the Government of Ghana established the Financial Stability Advisory Council (FSAC) in late 2018. The creation of the FSAC was intended to improve coordination, information sharing, and dialogue among key financial sector regulators, including the Bank of Ghana, the Ministry of Finance, and other supervisory bodies. Rather than guaranteeing effective oversight, the council represents a formal institutional attempt to mitigate systemic risk by fostering a more integrated approach to financial stability governance.

Within Ghana's neopatrimonial context, however, the establishment of such a coordinating body does not automatically resolve longstanding governance weaknesses or neutralise the influence of informal power relations. While the FSAC has the potential to enhance regulatory coherence and early warning mechanisms, its effectiveness remains contingent on the capacity, autonomy, and willingness of participating institutions to act independently of political and relational pressures. As such, the council should be understood less as a definitive solution to systemic governance failures and more as an incremental reform that operates alongside, and sometimes in tension with, entrenched informal dynamics. This underscores the broader challenge facing financial sector reforms in Ghana, where formal institutional innovations coexist with, rather than fully displace, neopatrimonial practices that continue to shape regulatory behaviour and outcomes.

The Ministry of Finance emphasized the importance of this initiative in its official statement:

> *"The President, in the exercise of his constitutional powers (Article 58), a week ago, on 28th December 2018 (Ghana Gazette No. 173), established two major Councils that will offer independent advice on fiscal responsibility and ensure the stability of the entire financial system (across all the sub-sectors, from banking through pensions & fund/asset management to insurance, etc) respectively. The two Councils are the Fiscal Responsibility Advisory Council (FISCAL COUNCIL) and the Financial Stability Advisory Council (FINANCIAL STABILITY COUNCIL). Both Councils are made up of 7 members each, the latter's members being institutional representatives."*

(mofep.com)

While this statement articulates the formal objectives and policy intentions underpinning the creation of the two councils, the claim that their establishment would *ensure* financial system stability warrants was questioned by some respondents. For instance, a banking consultant indicated that “the creation of the councils was important symbolically, but it did not automatically change how decisions are made in practice. Stability is not ensured simply by setting up new bodies if the same political pressures and informal influences continue to shape regulatory action. What matters is whether these institutions are allowed to operate independently and whether their advice is acted upon.” (INT 26)

From this perspective, the councils should be understood as part of a broader reform architecture aimed at improving coordination, oversight, and advisory capacity, rather than as definitive solutions to systemic risk. Their effectiveness depends critically on factors such as regulatory autonomy, inter-institutional power dynamics, and the extent to which formal advisory mechanisms are insulated from political and relational pressures.

However, the establishment of the FSAC represents a critical step towards addressing the fragmentation and lack of coordination that previously characterized Ghana's regulatory landscape. By facilitating better communication among key regulatory bodies, the FSAC aims to create a more cohesive and effective oversight framework capable of responding to emerging risks and challenges in the financial sector.

In addition to domestic institutions such as the Bank of Ghana, SEC, GSE, and GDPC, international organizations like the International Monetary Fund (IMF) and the World Bank play crucial roles in supporting Ghana’s financial regulatory framework. These organizations provide financial assistance, technical guidance, and policy advice, which help align Ghana’s regulatory practices with global standards. Their involvement is particularly important in building the capacity of local institutions to manage systemic risks and promote sustainable economic growth. A respondent from the Ministry of Finance emphasised the value of international engagement in Ghana’s post crisis regulatory reforms:

> *"Our collaboration with international bodies like the IMF and the World Bank has been instrumental in strengthening our regulatory framework. Their expertise and resources have helped us align with global standards, ensuring that our financial system remains robust and resilient."*

(INT 32)Documentary evidence supports this claim at a formal level. International support was central to the post 2017 reform programme, particularly through IMF Extended Credit Facility conditionalities, which required enhancements in bank capital adequacy, supervisory enforcement, risk based supervision, and the resolution framework for distressed banks (IMF, 2019; World Bank, 2020). These interventions contributed to measurable regulatory changes, including stricter minimum capital requirements, improved supervisory reporting, and the establishment of formal coordination mechanisms among regulators (Bank of Ghana, 2022).

However, interview evidence suggests that improvements in the formal regulatory architecture have not fully translated into consistent regulatory effectiveness in practice. Several respondents pointed to the continued influence of neo patrimonial practices, particularly informal political and elite networks, which shape how regulations are interpreted, prioritised, and enforced.

An executive director pointed out the persistent influence of these informal networks:

> *"The formal regulations are in place, but when it comes to enforcement those with the right connections often find ways to circumvent the rules. This undermines the credibility of our regulatory institutions and creates an uneven playing field."*
>
> (INT 21)

These dynamics were described as operating through discretionary regulatory forbearance, delayed enforcement actions, and selective tolerance of breaches, especially where financial institutions were perceived to have strong political or economic connections. While such practices are difficult to observe directly, they were repeatedly cited across interviews as undermining supervisory credibility and distorting competitive neutrality within the sector. This perception aligns with wider scholarship on financial regulation in neo patrimonial contexts, which highlights how formal institutions may coexist with informal power structures that weaken rule based enforcement (Khan, 2010; North et al., 2009).

Taken together, the findings indicate that international support has been effective in strengthening Ghana's formal regulatory framework, but its impact on regulatory outcomes remains mediated by entrenched informal governance practices. This gap between formal compliance and practical enforcement remains a critical constraint on banking sector stability and accountability. The next section looks at the legal and administrative structure of the banking sector.

5.3.1 Legal and Administrative Structure

The governance of Ghana's banking sector is underpinned by a comprehensive legal framework that includes the Bank of Ghana Act, the Banks and Specialised Deposit-Taking Institutions Act, and various other financial statutes. These laws establish the formal structures governing bank operations, including licensing, capital requirements, risk management, corporate governance, and regulatory oversight. However, the effectiveness of these laws is often compromised by the same neo-patrimonial influences that have historically shaped the sector.

The Bank of Ghana Act, 2002 (Act 612), together with its 2016 amendment, Act 918, formally strengthened the authority of the Bank of Ghana to regulate and supervise the financial sector. These legislative instruments significantly empowered the central bank, providing a robust legal framework that enabled it to implement wide-ranging regulatory and supervisory reforms. In particular, the enhanced powers granted under these Acts played a crucial role in supporting the Bank of Ghana's comprehensive financial sector reforms undertaken between 2017 and 2019, allowing the institution to enforce compliance, strengthen oversight, and promote stability within the banking system. Yet, despite this formal empowerment, the enforcement of regulations is frequently influenced by clientelist relationships and political interference. As an independent bank director noted:

> *"Act 918 of 2016 has given the Bank of Ghana significant power to enforce regulations, but this formal authority is often undermined by the informal networks that continue to shape decision-making within the sector."*
>
> (INT 19)

The statutory framework and interview evidence above point to a gap between formal institutional empowerment and effective regulatory autonomy in Ghana's financial sector.

Thus, the Bank of Ghana Act, 2002 (Act 612), and its 2016 amendment, Act 918, significantly strengthened the central bank's supervisory and enforcement powers, enabling decisive interventions during the 2017 to 2019 banking sector reforms which led to reforms including bank recapitalisation, license withdrawals, and tighter prudential oversight aimed at restoring financial stability. The interview evidence indicates that the exercise of these powers has been uneven in practice. As noted by an independent bank director, informal political and clientelist networks continue to shape regulatory decision making, particularly in cases involving well connected institutions. This observation is supported by external assessments, which acknowledge Ghana's improved regulatory framework while highlighting persistent challenges related to political interference and governance constraints (World Bank, 2018; IMF, 2019). Parliamentary debates and media investigations during the reform period similarly raised concerns about elite influence over enforcement decisions.

Overall, the evidence suggests that while legal reforms enhanced the Bank of Ghana's authority, informal power structures continued to shape regulatory outcomes. In addition, the protection of the central bank governor's tenure, intended to ensure independence from political pressures, has not fully insulated the role from external influences. A banking consultant observed:

> *"While the governor now has protections similar to those of the Electoral Commissioner, informal influences still sway decision-making, especially when it comes to high-stakes decisions involving well-connected institutions."*
>
> (INT 24)

This observation points to the limitations of legal reforms in addressing the deeply entrenched informal networks that continue to wield power within Ghana's banking sector. The licensing process, on-site examinations, and enforcement of prudential requirements, for example, are often subject to selective application based on political connections rather than being uniformly applied across the sector. A former regulator candidly remarked:

> *"There's an unwritten rulebook that sometimes trumps the official regulations, especially for institutions with strong political ties. This selective enforcement is one of the biggest challenges we face in maintaining a fair and transparent financial system."*
>
> (INT 31)

This account reinforces earlier interview evidence that informal norms and political relationships continue to shape regulatory outcomes, even where statutory authority is clearly defined. External assessments support this view, noting that although Act 930 improved regulatory coverage, supervisory capacity constraints and political pressures limited its consistent application as noted by a banking consultant Richmond Atuahene (Osei, 2020). These findings suggest that Act 930 did not represent a departure from existing governance dynamics but rather extended them into a broader segment of the financial sector. The next section looks at the 10-year period of legal and regulatory framework of the banking sector from 1988 to 1998 in Ghana.

5.3.1 Legal Framework 1988–1998

The period from 1988 to 1998 was a pivotal era in Ghana's banking sector, characterized by significant legal reforms aimed at stabilizing the financial system and promoting economic growth. However, this decade also revealed the deep-rooted influence of neo-patrimonial practices on the implementation and enforcement of these reforms. Despite the introduction of new regulatory frameworks, Ghana’s informal power structures and clientelistic relationships continued to undermine the effectiveness of the legal measures put in place.

The Banking Act of 1970 (Act 339) had provided a formal framework for bank operations in Ghana, outlining regulations on prudential lending, capital adequacy, and the responsibilities of bank directors. However, the enforcement of these provisions was significantly compromised by the pervasive influence of neo-patrimonial networks. The Act's guidelines on lending practices, particularly regarding loans to businesses associated with bank directors, were frequently circumvented through personal connections and political influence. This led to a proliferation of non-performing loans, as banks extended credit to well-connected individuals with little regard for the underlying risks. A banking consultant reflected on this issue:

> *"The accumulation of bad loans was not just about economic challenges. It was a symptom of a system where personal relationships trumped prudential considerations. Well-connected individuals could secure loans with little scrutiny, knowing they would likely never have to repay."*
>
> (INT 29)

This quote highlights how, despite the formal prudential framework established under the **Banking Act, 2004 (Act 673)** which strengthened loan classification, capital adequacy, and corporate governance, the Bank of Ghana’s authority to enforce these standards was uneven in practice. Recent Bank of Ghana data reported in *The Ghana Report* shows that non performing loans remained elevated at over 23 per cent of total loans in 2025, reflecting persistent asset quality challenges that regulations alone did not eliminate (The Ghana Report, 2025). Similarly, reporting by *Daily Post Ghana* emphasises that high NPL ratios signal ongoing weaknesses in credit risk assessment and enforcement, even as banks grow their credit portfolios (Daily Post Ghana, 2025).

These suggests that regulatory challenges in the Ghanaian banking sector were rooted in more than legal gaps: informal networks and weak enforcement practices shaped credit allocation and loan performance outcomes. In this context, well connected borrowers could obtain credit with limited scrutiny, undermining both the spirit and the letter of prudential regulation. The Bank of Ghana's statutory powers were therefore constrained by entrenched social and political influences that affected enforcement behaviour and asset quality across the sector.

These challenges were not merely because of resource constraints or administrative inefficiencies as their origins were deeply rooted in the neo-patrimonial culture that permeated the sector. As one regulator candidly said:

> *"On paper, we had the authority to conduct inspections. In reality, attempting to scrutinize certain banks was like stepping into a political minefield. You quickly learned which institutions were 'untouchable'."*
>
> (INT 45)

This statement highlights the difficulties faced by regulators in applying the law uniformly across the sector, as political connections and informal influence often protected certain institutions from scrutiny.

The financial reforms initiated in the late 1980s, particularly through the Financial Sector Adjustment Programme (FINSAP) and related policies, were intended to instil greater financial discipline and strengthen regulatory oversight in Ghana's banking sector. These programmes, supported by the International Monetary Fund (IMF) and the World Bank, combined liberalisation, deregulation, and institutional restructuring to modernise the financial system and improve resource allocation (Owusu-Antwi, 2009; Asamoah, 2011). However, academic research shows that while FINSAP introduced new legal frameworks and prudential mechanisms, it did not fully dismantle entrenched neo-patrimonial networks. Instead, these reforms often operated within existing social and political structures, allowing elites to adapt and preserve influence under the new regulatory regime (Mensah, 2017; Antwi-Asare and Addison, 2000).

An executive director described the Bank of Ghana as a *"crucial catalyst"* in the reform process, reflecting its central role in implementing regulatory changes while navigating complex political and economic interests (INT 11).

This highlights the interplay between formal empowerment and informal power dynamics: even as the central bank gained expanded supervisory authority, its actions were influenced by political and patronage networks that continued to shape decision-making. In this way, regulatory authority was strengthened legally but remained mediated by informal practices within the banking sector.

Furthermore, the introduction of the Bank of Ghana Act (Act 478) in 1992 and the subsequent Banking Law Amendment in 1993 were key milestones in the legal reform of the banking sector. These laws were intended to strengthen the regulatory oversight of banks, enhance the independence of the central bank, and ensure greater compliance with prudential norms. However, as one long-serving bank executive observed:

> *"Each new law brought a flurry of activity – new committees, new reporting requirements. But beneath the surface, the old networks of influence continued to operate. It was like watching a play where the actors changed costumes but kept to the same script."*
>
> (INT 33)

This observation reflects the resilience of neo-patrimonial elements within Ghana's banking sector. While the formal legal framework was being updated and modernized, the underlying power structures and patronage networks remained largely intact. These informal practices continued to exert a strong influence on the governance of banks, often subverting the intended goals of the legal reforms.

The resilience of these neo-patrimonial practices during the 1988–1998 period illustrates the challenges of implementing meaningful legal and regulatory reforms in an environment where informal power dynamics are deeply entrenched. Even as banking and finance laws in Ghana evolved over time the ongoing influence of neo-patrimonial practices on their implementation and effects remained.

5.3.1 Banking and Financial Laws of Ghana 1998–2006

Since 1998, several laws and regulatory measures have been implemented to bring about reforms in bank governance in Ghana. These reforms aim to enhance transparency, accountability, and the overall stability of the banking sector. Here are some key laws and regulatory frameworks that have contributed to the reforms since 1998.

Figure 5.1: Banking Laws in Ghana

Banking and Financial Laws of Ghana 1998–2006
Bank of Ghana Act 2002, Act 612
Banking Act 2004, Act 673
Financial Administration Act 2003, Act 654
Foreign Exchange Act, 2006 Act 723
Internal Audit Agency Act 2003, Act 658
Long-Term Savings Scheme Act 2004, Act 679
Payment Systems Act 2003, Act 662
Public Procurement Act 2003, Act 663
Venture Capital Trust Fund Act 2004, Act 680
Financial Administration Regulations 2004, L.I. 1802
Anti-Money Laundering Act, 2008, Act 749
Banking (Amendment) Act, 2007, Act 738
Borrowers and Lenders Act, 2008, Act 773
Central Securities Depository Act, 2007 Act 733
Credit Reporting Act, 2007, Act 726
Fair Wages and Salaries Commission Act, 2007 Act 737
Foreign Exchange Act, 2006, Act 723
Bank of Ghana Act 2002 (Act 612)
Bank of Ghana Act 2016 (Amendment) - Act 918
Banks and Specialised Deposit-Taking Act 930, Institutions Act, 2016

Despite these extensive legal frameworks, the full implementation of these Acts has been constrained at various stages by several factors. Informal networks and neo-patrimonial relationships within the banking sector often influenced regulatory decision-making, leading to selective enforcement and uneven application of the laws. Political and economic pressures sometimes hindered decisive action against non-compliant institutions, while resource constraints, limited technical capacity, and gaps in institutional coordination further slowed implementation. These challenges highlight that formal legal empowerment alone is insufficient to ensure effective governance; the interplay between statutory authority and entrenched informal practices continues to shape the outcomes of banking sector reforms in Ghana.

The next section looks at key reforms effotrts in the Ghanaian banking sector beyond rhe legal and regulations framework.

5.4 Key Reform Efforts of the Ghanaian Banking Sector

Ghana's financial landscape has undergone substantial transformations since its independence in 1957. The evolution of the banking sector in Ghana has been marked by a series of reforms, each aimed at addressing the economic challenges of the time and modernizing the financial system to better serve the nation's development goals. However, these reforms have often been influenced by, and at times hindered by, the deeply entrenched neo-patrimonial practices that characterize Ghana's socio-political environment.

The first major banking reform in Ghana dubbed post-independence state led banking and financial sector reforms was implemented shortly after independence, with the primary goal of ensuring that banks engaged in meaningful business activities that could revitalize the Ghanaian economy (Owusu-Antwi, 2009). This early reform also set the stage for subsequent changes in the financial sector implemented in response to both internal and external pressures.

While the initial post-independence reforms laid the foundations for a national banking system, interview evidence suggests that these early interventions were fragmented and insufficient to address deeper structural weaknesses. It was not until the late 1980s that Ghana embarked on a more comprehensive and systematic overhaul of its financial sector. The Financial Sector

Adjustment Programme FINSAP implemented primarily between 1988 and 1990 marked a critical turning point in banking reform. Developed with the involvement of the Government of Ghana, domestic financial sector actors, and international institutions such as the World Bank, FINSAP aimed to rehabilitate distressed banks, strengthen prudential regulation, and restore macroeconomic stability.

A banking consultant with knowledge on the reform discussions at the time explained the rationale behind FINSAP as follows:

"By the late 1980s, the banking system was effectively insolvent. FINSAP was not about fine tuning, it was about survival. The state needed banks that could transmit monetary policy and support recovery, because the system we had inherited from earlier decades had completely broken down." (INT 2)

This assessment reflects how FINSAP was widely understood by practitioners as a response to cumulative crises rather than an isolated policy choice. Indeed, several respondents linked the necessity of FINSAP to the prolonged financial and macroeconomic instability experienced during the 1970s and early 1980s. These crises were characterised by high inflation, negative real interest rates, state directed credit, and widespread loan defaults, particularly within state owned banks. Antwi Asare and Addison (2000) trace these crises to post independence development strategies that relied heavily on state intervention in credit allocation and politicised banking decisions, which weakened balance sheets and eroded financial discipline.

Interviewees reinforced this historical diagnosis. One senior banking consultant noted that the crises of the 1970s and 1980s were not sudden shocks but the cumulative outcome of policy choices embedded in the post independence period:

"The problems we saw in the late 1970s did not come out of nowhere. They were the result of years of directed lending, political interference, and weak oversight. Banks were used as tools of policy and patronage, and eventually the system could not carry that weight anymore." (INT 26)

The severe economic downturn of the late 1970s and early 1980s, marked by fiscal collapse, foreign exchange shortages, and declining output, thus represented a critical juncture. Respondents consistently described this period as one in which the limits of state led banking became apparent, forcing a re evaluation of the financial sector's role in national development. Importantly, however, several interviewees emphasised that while FINSAP addressed technical and balance sheet weaknesses, it did not fully confront the informal and political dynamics shaping bank governance.This point was underscored by a seasoned banking executive with 35 years experience, who reflected specifically on the FINSAP era reforms and their political context:

"Having witnessed the banking sector's evolution firsthand, I can say that the reforms of the late 1980s were driven by a desperate need to stabilize the economy after the turbulence of the early 1980s. The coup d'état and subsequent political instability had left the economy in shambles, and the government recognized that banking institutions had to play a crucial role in the recovery process." (INT 13)

This observation highlights the close interconnection between political instability and economic reform during this period. The banking reforms of the late 1980s were therefore not merely technical interventions but part of a broader attempt to restore confidence in the Ghanaian economy and reposition the financial sector as a driver of growth. At the same time, interview evidence suggests that the underlying neo patrimonial context remained largely intact, shaping how reforms were implemented in practice.

A non-executive director of a bank reflected on this longer-term implication, noting that while reforms improved formal structures, they left deeper governance challenges unresolved:

"FINSAP helped stabilise the system on paper, but it did not fundamentally change how power operated within banks. Informal influence, political expectations, and personal networks continued to shape decisions, even under new regulatory frameworks." (INT 39)

Taken together, these accounts suggest that FINSAP represented a significant institutional milestone in Ghana's banking history, yet one whose effectiveness was constrained by enduring informal governance practices. While the programme introduced important structural and regulatory changes, interview evidence indicates that these formal reforms operated within a governance environment still shaped by political influence and personalised authority. In this sense, subsequent reform waves did not emerge simply because earlier policies were incomplete, but because underlying patterns of state dominance and patronage remained largely unaddressed.

This interpretation is consistent with Antwi Asare and Addison's (2000) observation that early post independence government intervention in the financial sector laid the foundations for a governance system in which political considerations became deeply embedded in banking operations. The continued presence of these neo patrimonial dynamics meant that reforms such as FINSAP often altered formal rules without fundamentally transforming how power was exercised in practice. As a result, the direction and effectiveness of banking reforms in the decades that followed were persistently shaped by the legacy of state control and political patronage, helping to explain the recurrent nature of governance weaknesses and stability challenges in Ghana's banking sector.

The establishment of new financial institutions and the introduction of policies aimed at regulating the banking and financial industry were significant steps toward modernizing Ghana's financial sector. These initiatives reflected an increasing policy emphasis on oversight, discipline, and alignment with national development objectives. However, evidence from this study suggests that such formal institutional advances were frequently constrained by enduring neo patrimonial practices that had characterised both the colonial and early post independence periods.

Several respondents emphasised that post independence banking reforms did not represent a complete rupture from earlier governance arrangements. Instead, they often reproduced existing patron client relationships under new political leadership. One banking consultant traced this continuity directly to appointment practices, noting:

A banking consultant traced this continuity directly to appointment practices, noting:

> *"They established this bank specifically to assist foreign merchants in their business endeavours, strategically appointing individuals who align with their interests to occupy leadership positions within these institutions. Even after independence, the pattern persisted, with appointments being made based on political connections rather than merit."*
>
> (INT 18)

.

Rather than presenting a novel insight in isolation, this account resonates strongly with views expressed by other respondents, suggesting a shared understanding of how historical governance practices continue to shape contemporary banking structures. Two further interviewees independently described similar dynamics, highlighting how informal political networks have remained central to senior appointments within banks and regulatory institutions, often overriding formal criteria of competence and experience (INT 19; INT 34). For instance, a banking consultant stated that:

“Despite multiple reform waves, senior appointments in banking institutions remain heavily shaped by political loyalty and personal networks. Formal qualification requirements exist, but they are often secondary to informal connections, which has limited the depth of governance reform.” (INT 19)

Another respondent who is former Bank Executive indicated that:

“Changes in political leadership routinely lead to changes in key banking appointments. This weakens institutional continuity and constrains the effectiveness of governance frameworks, as informal relationships continue to influence decision making.” (INT 34)

These accounts point to the resilience of neo patrimonial governance logics, which were adapted rather than dismantled in the post-independence period.

Concerns regarding appointment practices were particularly pronounced in relation to the Bank of Ghana. While the formal legal framework provides safeguards intended to protect the central bank’s independence, interview evidence suggests that these protections have been weakened in practice by political conventions surrounding leadership change.

Another respondent, a bank consultant, linked the challenges faced by the central bank to the political nature of these appointments:

> *"I can assert that the challenges faced by the Bank of Ghana can be traced back to the process of appointing Governors. While the BoG Act provides for their protection during their tenure, the reality is that since 1992 every change in government has brought about a change in the BoG's leadership. This pattern suggests that the Governors often act in the interest of the appointing government rather than in the public interest, which undermines the bank's role as an independent regulator."*
>
> (INT 28)

This evidence highlights a clear tension between, on the one hand, the formal legal framework governing the appointment and tenure of the Bank of Ghana’s leadership and, on the other, the informal political pressures that shape regulatory behaviour. The frequent turnover of leadership with each change in government was widely perceived by respondents as undermining institutional continuity, long term planning, and supervisory consistency.

The influence of political considerations extends beyond appointments to the broader application of banking laws and regulations. Respondents consistently acknowledged that

Ghana possesses a well developed legal and regulatory framework. However, several emphasised that enforcement remains uneven.

The influence of political factors on the application of banking laws and regulations is another significant challenge. A non-executive director of a bank noted the robustness of Ghana's banking laws but pointed to the inconsistency in their enforcement:

> *"While Ghana boasts exceptionally well-crafted banking laws and regulations, the challenge lies in their consistent application, particularly due to the influence of political factors on the Governor. The laws themselves are robust, but the difficulty arises in ensuring their uniform enforcement across all banks."*
>
> (INT 16)

This perspective echoes earlier observations and reinforces a central finding of this study: that the effectiveness of regulation is shaped less by the absence of formal rules and more by the informal dynamics that mediate their application. Selective enforcement, regulatory forbearance, and differential treatment of politically connected institutions were frequently cited as consequences of this governance environment. Such practices undermine perceptions of fairness and transparency and weaken confidence in the regulatory system.

Respondents also reflected on the cumulative impact of successive reform waves since the late 1980s. There was broad recognition that reforms have contributed to the expansion and diversification of Ghana’s banking sector, including the introduction of a tiered financial system and enhanced prudential standards. At the same time, interview evidence suggests that these improvements have been partial and uneven

A bank consultant provided a balanced assessment of the impact of these reforms:

> *"If you look at the various reforms, especially since 1988 to date, you can see there have been many improvements in the financial sector overall. For instance, we have a good tiered financial system, and we have banking regulations that can be compared with international standards. However, the real challenge lies in the implementation and enforcement of these regulations, which is where political influence often comes into play."*
>
> (INT 22)

These accounts illustrate the dual nature of Ghana's banking reforms. On the one hand, formal restructuring has strengthened regulatory frameworks and aligned them more closely with international standards. On the other hand, the implementation and enforcement of these reforms continue to be shaped by neo patrimonial practices that were not directly targeted by reform initiatives. This study therefore argues that neo patrimonialism constitutes a foundational governance condition within which reforms operate, rather than a problem that reforms have explicitly sought to address.

As a result, while Ghana's banking sector is now more formally regulated and institutionally sophisticated than in earlier periods, it continues to struggle with challenges of transparency, accountability, and political interference. These findings help explain why governance weaknesses and threats to banking stability persist despite repeated waves of formal reform, and they underscore the importance of examining informal power relations alongside formal institutional change. The next section looks at the effects of the financial sector reforms.

5.4.1 Overarching Objectives of Financial Reforms According to the Bank of Ghana

The financial reforms spearheaded by the Bank of Ghana during the late 20th and early 21st centuries were strategically aimed at addressing systemic challenges within the banking sector, modernizing the sector, enhancing financial stability, and aligning Ghana’s banking practices with international standards. The reforms’ specific aims were thus multifaceted, and they were pursued via several overarching objectives.

a) Establishing a Robust Prudential and Regulatory Framework for Banking Operations

A primary objective of the Bank of Ghana’s reforms was to create a comprehensive prudential and regulatory framework that would ensure the stability and resilience of the banking sector. This framework was essential for managing the risks inherent in banking operations and for safeguarding the financial system against potential shocks. An executive director emphasized the importance of this:

> *“The need for a solid regulatory framework cannot be overstated. Our banking system must be equipped to handle both domestic and global financial pressures, and this starts with robust prudential regulation."*
>
> (INT 12)

This observation underscores the fundamental role of prudential regulation in maintaining the soundness of financial institutions. Prudential measures encompassing capital adequacy, liquidity management, risk monitoring, and corporate governance serve as the structural backbone of financial stability, particularly in contexts exposed to both domestic shocks and global economic volatility. Another interviewee an Audit committee member of a Bank corroborated this perspective, noting that “*regulatory compliance is not simply a matter of* *formal procedure but a critical determinant of market confidence and institutional resilience"* (INT 17).

Documentary evidence further reinforces these insights. The Bank of Ghana's *Financial Stability Report (2019)* attributes post 2017 improvements in sector liquidity and reductions in non performing loans to the enhanced prudential framework introduced during the banking sector reforms (Bank of Ghana, 2019). Similarly, the International Monetary Fund (IMF, 2019) highlights that countries with clearly defined regulatory and supervisory structures are more capable of withstanding systemic shocks, illustrating the direct impact of formal regulatory empowerment on sectoral resilience.

These sources demonstrates that while the formal codification of prudential regulations provides the necessary foundation for a stable financial system, their effectiveness is mediated by enforcement capacity, institutional independence, and the pervasive influence of informal networks and political pressures. Consequently, prudential frameworks alone, though necessary, are insufficient to ensure financial stability unless accompanied by consistent, impartial implementation.

b) Ensuring Standardized Accounting and Auditing Standards Across All Banks

Standardizing accounting and auditing practices across the banking sector was another crucial objective of the reforms. Inconsistent financial reporting and lack of transparency had previously undermined the credibility of financial statements, creating uncertainty among investors and regulators. A banking consultant highlighted this issue:

> *"Without standardized accounting practices, it's like comparing apples to oranges. The reforms sought to create a level playing field where all banks adhere to the same high standards, ensuring transparency and accountability."*

(INT 4)

This assertion reflects a fundamental analytical theme in banking sector governance**:** uniform accounting and auditing standards are critical for making financial reports reliable, comparable, and useful for regulatory oversight**.** Standardized reporting mitigates information asymmetries between banks and stakeholders, enhances market discipline, and supports supervisory interventions based on consistent and credible data.

Empirical literature from Ghana supports this perspective. Studies of IFRS adoption, which represent the most comprehensive move toward standardized accounting in Ghana, consistently find that the shift to IFRS improved the quality and comparability of financial information disclosed by firms listed on the Ghana Stock Exchange, thereby strengthening the usefulness of accounting information for decision-making (Yeboah and Pais, 2021). Specifically, research demonstrates that post-adoption financial statements exhibited higher accounting quality through more transparent and comparable disclosures compared to the pre-IFRS period, validating the interviewee's claim about leveling the informational playing field (Yeboah and Pais, 2021).

Furthermore, additional research indicates that improved reporting quality following IFRS adoption helped reduce managerial earnings management practices, suggesting that standardized reporting can enhance the reliability of financial information and reduce the scope for opportunistic reporting (Amankwa, Mawutor and Yiadom, 2020).

These sources triangulate the interview insight and show that standardized accounting practices are not merely procedural reforms but key mechanisms for enhancing transparency, accountability, and regulatory effectiveness in the banking sector. However, the extent to which these standards improve accountability also depends on enforcement rigour and institutional capacity.

c) Strengthening the Banking Supervision Department (BSD) to Enforce Prudential Rules, Regulations, and a Code of Conduct for the Banking Sector

. The reforms introduced in Ghana's banking sector accorded high priority to enhancing the supervisory capacity of the Banking Supervision Department (BSD) within the Bank of Ghana. Strengthening the BSD was not merely an administrative adjustment but a strategic intervention aimed at improving risk detection, regulatory enforcement, and institutional governance. Effective supervision is widely recognised as a core element of financial stability, as it enables regulators to monitor compliance with prudential standards, evaluate emerging risk exposures, and undertake corrective action before vulnerabilities escalate into systemic crises. A government representative remarked:

> *"The integrity of our financial system depends heavily on the strength of our supervision. The BSD was fortified to act as the gatekeeper, ensuring that banks not only follow the rules but also uphold the ethical standards that are vital for trust in the system."*

(INT 30)This view is aligned with empirical research on the Ghanaian context. A recent study finds that bank regulation and supervision contribute significantly to financial stability in Ghana, with robust oversight associated with lower long-term systemic risk and greater confidence in banking institutions (Kamasa et al., 2023). The authors demonstrate that supervisory components such as capital regulation and transparency exert a particularly strong influence on financial sector stability, supporting the idea that enhancements to the Bank of Ghana's supervisory authority were necessary for resilience.

Documentary evidence from the Bank of Ghana confirms that post-crisis reforms placed stronger emphasis on supervisory oversight, expanding risk assessments and sectoral monitoring to align with international best practice and Basel principles (Bank of Ghana, 2026). In practice, this has translated into the issuance of new prudential directives on credit concentration, liquidity risk and stress testing, reflecting a more forward-looking supervisory mandate (The Business & Financial Times, 2025).

Additional interview evidence highlights operational constraints that persisted even after formal empowerment. A senior compliance official explained that, prior to reforms, supervisors lacked the specialised skills to analyse sophisticated loan portfolios, weakening their ability to enforce prudential rules consistently (INT 33). Another respondent observed that informal political and economic pressures sometimes delayed enforcement actions, illustrating the continuing tension between statutory authority and practice (INT 27).

d) Creating a Framework for the Restructuring of Distressed Banks

Addressing the problem of distressed but viable indigenous banks was a central focus of Ghana's post-crisis banking reform agenda following the 2017–2019 financial sector restructuring. In response to the Bank of Ghana's revised minimum capital requirement, the Government of Ghana established the Ghana Amalgamated Trust (GAT) in December 2018 as a public limited liability company structured on a private equity model. The Trust's primary mandate was to raise capital and recapitalise solvent but undercapitalised banks that were unable to meet the new capital threshold, thereby preserving local ownership and supporting broader financial system stability. GAT acquired equity stakes in its investee institutions and worked collaboratively with their management and boards to improve governance, operational performance, and long-term viability (Ghana Amalgamated Trust, 2025; MOFEP, 2020).

An executive director explained the rationale underpinning this approach:

"By placing capital and strategic oversight into these banks, GAT helped stabilise their balance sheets while positioning them to compete sustainably within the sector. This was not merely a cash injection but a transformational partnership." (INT 21)

This perspective is consistent with documentary evidence showing that GAT's interventions helped several indigenous banks, such as the Agricultural Development Bank and Universal Merchant Bank, to meet regulatory capital requirements and continue operations, thereby preventing further consolidation or licence revocations that would have reduced domestic banking diversity (GBC Ghana Online, 2019; Modern Ghana, 2020).

Academic analyses of Ghana's reform period stress that, while recapitalisation mechanisms such as GAT's private equity model contributed significantly to stabilising the sector, structural challenges persisted**.** These include the uneven distribution of recapitalisation support and the influence of informal networks in shaping which banks received assistance, reflecting the continuing interplay between formal regulatory frameworks and entrenched political and economic interests (The Business & Financial Times, 2025).

These sources show that the establishment of GAT represented **a** strategic departure from ad hoc recapitalisation toward a structured mechanism that combined financial support with governance and operational transformation. However, the effectiveness of this model depended on its capacity to balance commercial discipline with public policy objectives, and on the broader regulatory environment in which informal pressures sometimes shaped outcomes. The next section looks at BASEL banking reforms in Ghana.

5.4.2 Basel and 21st Century Banking Reforms in Ghana

This section examines the adoption of Basel regulatory standards within Ghana's banking sector and their role in shaping twenty first century banking reforms. It analyses how Basel aligned capital adequacy, risk management, and supervisory practices strengthened resilience while interacting with domestic institutional and political constraints.

5.4.2.1 Implementation of Basel Banking Standards in Ghana

The implementation of Basel banking standards in Ghana reveals a persistent gap between formal regulatory adoption and practical enforcement, shaped by the interaction of international norms with domestic political and institutional realities. While Ghana has progressively incorporated Basel I, II and selected elements of Basel III into its regulatory framework, interview evidence indicates that compliance has been uneven and frequently symbolic rather than substantive.

Several interviewees emphasised that Basel reforms were largely driven by external pressure rather than endogenous regulatory demand. A non-executive director of a bank noted:

“Basel was adopted because it was expected of us internationally. But adoption on paper did not mean that banks were suddenly operating under Basel discipline in practice.” (INT 34)

This perception is consistent with IMF Financial Sector Assessment Program reports, which have repeatedly identified gaps between Ghana’s formal regulatory framework and supervisory enforcement, particularly in capital adequacy, risk based supervision, and governance oversight (IMF, 2011; IMF, 2019). While statutory capital requirements were raised in line with Basel principles, enforcement was constrained by political considerations and concerns about destabilising indigenous banks.

Interview data further highlight selective enforcement as a defining feature of Basel implementation. A banking consultant explained:

> *"While we have incorporated elements of the Basel principles into our banking laws since independence, the real challenge has always been enforcement. Political interference and corruption have consistently undermined the regulatory framework, allowing informal networks of influence to circumvent formal rules. The result is a system where the appearance of compliance with Basel standards often masks significant gaps in actual practice."* (INT 29)

This claim is triangulated by documentary evidence from the Bank of Ghana’s Financial Stability Reports, which show prolonged regulatory forbearance prior to the 2017–2019 clean up, despite persistent breaches of prudential ratios by several banks (Bank of Ghana, 2016; Bank of Ghana, 2018). These practices undermined the Basel objective of creating a level playing field and contributed to the accumulation of systemic risk.

Risk management reforms under Basel II and III were similarly affected. Although banks formally adopted internal risk frameworks, interviewees consistently described these as **compliance artefacts** rather than operational tools. One former risk manager who is now non-executive director of a bank stated:

"Risk committees existed, models existed, but lending decisions involving influential clients routinely bypassed them. Basel became a box ticking exercise." (INT 23)

This finding aligns with IMF assessments noting weak credit risk governance and high related party exposures prior to the banking sector crisis (IMF, 2019). The persistence of politically influenced lending contributed directly to elevated non performing loans, reinforcing the limitations of Basel style regulation in a neo patrimonial context.

Overall, the evidence suggests that Basel reforms in Ghana improved the formal architecture of regulation but were filtered through informal power networks that shaped enforcement outcomes. Rather than transforming banking practices wholesale, Basel standards were selectively implemented, contributing to regulatory credibility externally while masking internal vulnerabilities. This helps explain why Ghana experienced severe banking distress despite apparent alignment with international regulatory norms. The figure 4 below highlights various stages of basel banking standards in Ghana.

Table 5.1: Adoption of Basel banking standards in Ghana

Basel component	**Adoption**	**Implementation—issuance of regulations and guidelines**	**Implementation—regulations and guidelines take effect**
Basel I (modified)	Banking Act 1989	Credit risk—1992 Operational risk—1998 Market risk—2000	
Risk-based supervision	Banking Act 2004	2007 for all banks	

(Precursor to Basel II)			
Basel II	Bank of Ghana has requisite powers under Banking Act 2004 and 2016	June 2018—Capital Requirements Directive • Credit risk—standardized approach • Operational risk—standardized approach • Market risk—standardized approach	Entered into force. 1 January 2019
Basel III	Bank of Ghana has requisite powers under Banking Act 2004 and 2016	June 2018—Capital Requirements Directive • Basel III definitions of capital • Capital conservation buffer • Countercyclical buffer • Leverage ratio • D-SIB	Entered into force. 1 January 2019

Ghana's engagement with the Basel framework emerges from the empirical material not as a linear process of regulatory strengthening, but as a layered and contested reform trajectory shaped by the interaction between formal rules and entrenched informal power relations. While Basel I was formally introduced in 1989 through revisions to banking legislation and supervisory guidelines, interview and documentary evidence indicate that its implementation functioned primarily as a symbolic compliance mechanism, rather than as a consistently enforced prudential regime.

Documentary records from the Bank of Ghana indicate that capital adequacy requirements were formally embedded within banking regulation in the late 1980s and early 1990s, including the introduction of a minimum capital adequacy ratio based on risk weighted assets. However, interview data suggest that these thresholds were unevenly enforced in practice. A former senior executive at the Bank of Ghana reflected:

"On paper, Basel I was adopted early, and capital ratios were specified. But enforcement was discretionary. Some banks were pushed hard; others were allowed to operate below thresholds for years because of who owned them or who they were connected to." (INT 31)

This account is corroborated by internal supervisory reports from the early 1990s, which noted repeated regulatory forbearance toward domestically owned banks facing capital shortfalls. Rather than contradicting the neo patrimonial framing of this study, the early adoption of Basel I is therefore best understood as formal alignment without substantive insulation from political influence**.**

Interviewees consistently emphasized that the Bank of Ghana's cautious supervisory posture during this period reflected political constraints rather than purely technical considerations. An ex-bank chief executive involved in sector reforms explained:

"Capital rules existed, but they were negotiable. If a bank had political backing, timelines were extended indefinitely. Basel did not remove politics from supervision; it was filtered through it." (INT 14)

This finding complicates official narratives that portray early Basel adoption as having strengthened systemic stability. Instead, the evidence indicates that Basel I functioned as an aspirational framework, whose stabilizing effects were limited by selective enforcement and informal exemptions.

The attempted transition to Basel II provides even clearer evidence of implementation gaps. Although policy documents show that Basel II discussions began as early as 2007, interviews reveal that both regulators and banks lacked the institutional capacity and political consensus necessary to operationalize its risk sensitive requirements. A bank consultant involved in the process noted:

“Basel II was technically complex, but the real issue was readiness and incentives. Many banks did not want transparency around risk, and there was limited political appetite to force the issue.” (INT 22)

This perspective aligns with internal Bank of Ghana assessments produced prior to the passage of the Banks and Special Deposit Taking Institutions Act in 2016, which acknowledged weaknesses in supervisory tools, data quality, and enforcement credibility. A banking consultant who participated in sector wide diagnostics during this period observed:

“*Between 2009 and 2015, Basel II was effectively stalled. There was no coherent implementation strategy, and informal lobbying meant deadlines were repeatedly shifted.”* (INT 29)

The convergence of interview evidence and regulatory documentation suggests that delays in Basel II implementation were not merely technical failures but reflected deeper governance constraints. Regulatory discretion, shaped by informal political networks, undermined the consistency required for risk based supervision.

The sharp increase in minimum capital requirements announced in 2017 marked a decisive regulatory intervention and represented a partial recalibration of this dynamic. Official directives framed the policy as aligning Ghana with Basel II and Basel III capital standards. However, interview data indicate that the enforcement of these requirements again reflected differentiated treatment. A non executive director of a commercial bank explained:

"*The capital increase was presented as uniform, but in reality some banks were quietly given more time or informal assurances. Others had no such space. Connections mattered.*" (INT 34)

This claim is supported by regulatory correspondence and resolution timelines, which show staggered compliance and negotiated outcomes for certain institutions. The empirical material thus demonstrates that neo patrimonial practices did not disappear with stricter Basel aligned reforms; rather, they reconfigured how those reforms were applied**.**

Across interviews, three recurring mechanisms through which informal networks constrained Basel implementation were identified: preferential supervisory forbearance, selective access to regulatory information, and informal lobbying over timelines and enforcement intensity. A non-executive director of a bank summarized this dynamic succinctly:

"Basel rules raised the bar technically, but enforcement still depended on relationships. Risk frameworks were adopted, but risk-taking behavior did not change uniformly." (INT 41)

These findings show that Basel reforms in Ghana produced formal regulatory convergence without full functional convergence. International standards were incorporated into law and policy, yet their stabilizing potential was consistently mediated by informal power structures embedded within the financial governance system.

Rather than undermining the relevance of Basel reforms, this analysis demonstrates that their outcomes in Ghana cannot be understood independently of neo patrimonial governance dynamics. Basel standards reshaped the regulatory architecture, but their effectiveness depended on the political and institutional conditions under which they were enforced. This empirical insight is central to understanding both the persistence of banking sector fragility and the limits of technocratic reform in similar contexts. The next section looks at the political economy of basel standards in Ghana.

5.4.2.2 The Political Economy of Basel Standards in Ghana

The implementation of Basel standards in Ghana has unfolded within a complex political economy shaped by the interplay of various actors, including the Bank of Ghana, international financial institutions such as the IMF and World Bank, Ghana's political parties (notably the NDC and NPP), and both domestic and foreign banks. While the Basel framework offers a blueprint for enhancing financial stability through rigorous supervision and adequate capital buffers, its integration into Ghana's banking system has been problematic and an often-overlooked consideration of resultant issues concerns this integration being heavily influenced by political dynamics and informal networks of power.

At the centre of Ghana's regulatory landscape is the Bank of Ghana, which, despite its formal independence remains susceptible to political pressures and influence. Central bank governors often vacate their positions with changes in government, despite the legal protections provided by the Bank of Ghana Act, 2002 (Act 612), and its 2016 Amendment (Act 918), which were designed to safeguard the governor's tenure. The impact of political shifts on the leadership of the Bank of Ghana highlights the tension between the formal regulatory framework and the realities of governance in a neo-patrimonial system. As a bank consultant, reflecting on the political undercurrents that influence the central bank, observed:

> *"Yes, everyone in this country or the banking sector should be aware of what the law says in terms of protecting the governor in office. However, we know and have*

seen governors leave office when there is a change in government, often due to differing political ideologies or a lack of alignment with the vision of the new administration."

(INT 26)

This sentiment is echoed by another bank consultant who succinctly summarized the relationship between the central bank and the government:

"The governor governs the Bank of Ghana with the finance minister."

(INT 28)

These statements encapsulate the reality that, despite the formal legal structures in place to protect the central bank's independence, political considerations continue to play a decisive role in the governance of Ghana's financial sector. This political influence extends to the implementation of Basel standards, where the regulatory ambitions of the Bank of Ghana are often tempered by the priorities of the ruling government.

In the late 1980s, with the support of the World Bank, the Ghanaian government initiated a financial sector reform program aimed at fostering economic progress. Basel I was adapted to suit Ghana's banking environment, with its implementation beginning in 1992. However, the introduction of Basel principles in Ghana has been of a 'stop-start' fashion, largely because of political interference from the government of the day. A bank executive highlighted the dynamics of this struggle:

"During the early 2000s, the NPP government, driven by its vision to establish Ghana as a financial hub, pursued financial sector reforms that occasionally clashed with the IMF's recommendations. It was under the leadership of Governor

> *Paul Acquah* [Governor of the Bank of Ghana 2001–2009] *that Basel II implementation gained traction."* (INT 44)

This comment underscores the influence of political ideology on the pace and direction of banking reforms in Ghana. The NPP's ambitious vision for the financial sector sometimes led to tensions with international institutions, as the government sought to balance local development goals with the demands of global financial governance.

The political economy of Basel standards in Ghana is further complicated by changes in government, which often result in shifts in policy direction. A banking consultant elaborated on the impact of political transitions on regulatory reforms:

> *"Yes, the change in government in 2009 from NPP to NDC slowed down the financial sector reforms. The NDC criticized the NPP's liberalization approach, leading to resistance against Basel II implementation and a decline in the pace of reforms."*
>
> (INT 4)

This pattern of resistance and slowdown reflects the broader challenge of sustaining regulatory momentum in a politically volatile environment. The reforms initiated under one administration may be slowed or even reversed by the succeeding government, especially when there is a stark difference in political ideologies.

Despite these challenges, Ghana's commitment to the Basel framework was reaffirmed when the NDC government, facing economic difficulties, turned to the IMF for support. This renewed engagement with the IMF had significant implications for the country's financial sector. In 2015, a joint examination of asset quality revealed weaknesses in several banks, prompting increased regulatory oversight and the initiation of procedures to resolve financially unstable institutions. Reflecting on this period, a bank consultant stated:

> *"It's important to recognize that in 2014, when the economy faced challenges, the NDC government had little choice but to return to the IMF. As part of the conditions set by the IMF, the Basel principles were reintroduced, culminating in the enactment of the new Banking Act in 2016."*
>
> (INT 26)

This comment highlights how external pressures from international financial institutions can drive the adoption of global standards, even in the face of domestic political resistance. The reintroduction of Basel principles under IMF conditions underscores the role of international actors in shaping Ghana's regulatory landscape.

The passage of the Banking Sector Acts in 2016, under the NDC government, marked a significant enhancement of the Bank of Ghana's regulatory powers. With IMF support, the implementation of Basel II gained momentum, aligning Ghana's regulatory framework more closely with the Basel Core Principles. However, the return of the NPP to power in 2017 brought a renewed focus on transforming Ghana into an international financial hub, leading to aggressive banking sector reforms.

The NPP government's decision to impose higher minimum capital requirements in 2017 was a pivotal moment in Ghana's banking history. The requirement, which tripled the minimum capital from GHC120 million to GHC400 million, aimed to consolidate the banking sector by encouraging the creation of larger, more robust Ghanaian-owned banks. This policy nevertheless led to the closure and amalgamation of several domestic banks, sparking controversy and debate. An executive director discussed the motivations behind these reforms:

> *"The New Patriotic Party* [NPP] *implemented the new banking law passed in 2016 primarily due to the requirements of an IMF program. This enforcement was necessary for the government of Ghana to secure the release of the second and third tranches of IMF funds under the Extended Credit Facility."*
>
> (INT 44)

The banking sector reforms led to the consolidation of the industry, reducing the number of banks from 34 in 2017 to 23 by the end of 2018. This consolidation was met with criticism from the NDC, particularly concerning job losses and the impact on small indigenous banks. The NDC argued for supporting these smaller banks to recapitalize rather than closing them down, despite ongoing concerns about corporate governance and corruption.

Simultaneously, regulatory reforms were introduced to bring Ghana in line with international standards, incorporating elements of Basel II and Basel III into a new Capital Requirements Directive issued in June 2018. These reforms were implemented to address weaknesses revealed by an IMF-driven audit in 2014, which emphasized the need for stricter enforcement and greater regulatory vigilance. A bank's executive director emphasized the significance of these reforms:

> *"The establishment of the Office of Ethics and Internal Investigations at the Bank of Ghana marks a pivotal step in ending the culture of regulatory forbearance and fostering a robust, accountable financial system."*

(INT 12)

The Office of Ethics and Internal Investigations was established to enhance governance within the Bank of Ghana and ensure the highest standards of ethical conduct. This office is tasked with investigating allegations of misconduct, including those related to the collapse of defunct banks during the financial sector clean-up exercise. The prosecution of former Bank of Ghana officials involved in these collapses is a testament to the government's commitment to accountability and transparency in the banking sector.

The Capital Requirements Directive and broader banking sector reforms have been praised internationally, with institutions like Moody's viewing the changes positively. The IMF's Managing Director commended Ghana's banking sector reforms as courageous steps towards a more stable and resilient financial system. Also, a non-executive director commented on the broader implications of these reforms:

> *"The banking sector reforms, particularly the introduction of the Capital Requirements Directive, are commendable strides towards stability and resilience, earning well-deserved recognition from the international community."*

(INT 27)

Despite these commendations, challenges remain in implementing these regulatory reforms effectively. Concerns have been raised about the ability of local banks and the Banking Supervision Department of the Bank of Ghana to fully adapt to Basel II and III standards. The Bank of Ghana has emphasized its commitment to strictly implementing the new regulations, addressing previous regulatory violations, and improving the quality of supervision.

However, some sceptics argue that the stringent requirements of Basel standards could stifle banks' ability to lend to the private sector, particularly in high-risk industries that are crucial for economic growth. A 2017 survey of bank officials indicated a plan to reduce loans to such sectors in order to comply with Basel II and III regulations. Data from October 2017 to 2018 showed a 15% reduction in private sector credit, accompanied by an increase in banks' holdings of government bonds. A bank executive director expressed concerns about this trend:

> *"Although the government's reforms have certainly improved financial stability, the strict Basel standards are creating a cautious lending environment, particularly affecting high-risk sectors that are essential for economic growth."*
>
> (INT 35)

Another executive director reflected on the impact of these changes on lending practices:

> *"The data clearly indicates a shift in our lending patterns: to meet Basel II and III requirements, we've had to reduce credit to the private sector and increase our investment in government securities. While this strategy is safer, it might slow down productive investments."*
>
> (INT 38)

Although the initial impact on lending to the real economy was negative, the NPP government believed that consolidating the banking sector would result in larger banks capable of funding significant projects. To support industrialization and agricultural development, the government implemented measures to strengthen state-owned banks such as the National Investment Bank and the Agricultural Development Bank. The overarching goal was to balance the demands of international regulations with the need to promote economic growth by fortifying the banking sector. A government official explained this strategy:

> *"The government's strategy to consolidate the banking sector aims to create bigger, stronger banks capable of backing significant industrial and agricultural initiatives, while also managing international regulations and promoting domestic economic development."*
>
> (INT 30)

Another government representative echoed this sentiment:

> *"Our goal is to improve our ability to fund key sectors by reorganizing state-owned banks like the National Investment Bank and the Agricultural Development Bank, while also promoting sustainable development in alignment with global standards."*
>
> (INT 31)

The analyses abaove sdemonstrate that Ghana's Basel implementation reflects a contested political economy where formal regulatory reforms are continually reshaped by political transitions, neo-patrimonial pressures, and international influence. Central bank independence is compromised, reform momentum fluctuates with ruling parties, and IMF conditionality often becomes the decisive driver of regulatory enforcement, consolidation, and governance outcomes. The next looks at the banking sector clean-up in Ghana.

5.5 Failed Governance and Banking Crises: Bank Collapses and Impacts on Bank Stability

Following the preceding analyses of board dynamics, regulatory enforcement, and neo-patrimonial influences within Ghana's banking sector, this section examines how these governance failures materialised in concrete banking crises and institutional collapses.

Specifically, it links earlier identified patterns of weak oversight, elite capture, and compromised accountability to the failure of banks during Ghana’s 2017–2019 banking crisis and evaluates the subsequent implications for bank stability and the wider financial system.

By grounding the discussion in well-documented cases of bank failure and triangulating documentary evidence with interview data, this section demonstrates how governance weaknesses were not merely abstract deficiencies but translated into systemic instability with profound economic and social consequences

5.5.1 Governance Failures and Bank Collapses

The revocation of the licences of UT Bank and Capital Bank marked a critical turning point in Ghana’s banking crisis. According to the Bank of Ghana, both institutions were insolvent, highly illiquid, and unable to meet minimum capital adequacy requirements due largely to governance failures and poor risk management practices (Bank of Ghana, 2017; 2018).

Poor Risk Management

Bank of Ghana forensic assessments revealed persistent weaknesses in credit risk management, including excessive exposure to non-performing loans and poor loan classification practices. The regulator found that large facilities were extended without adequate collateral or repayment capacity, particularly to politically connected borrowers (Bank of Ghana, 2018).

Interview evidence corroborates these findings. A retired bank director explained:

"We were under constant pressure to approve loans without proper due diligence, especially for politically connected individuals. The lack of proper oversight from the board led to a situation where bad loans piled up, ultimately crippling the bank." (INT46)

A risk director from another bank reinforced this point:

"Risk management was largely overridden by informal instructions. Once a powerful name was attached to a facility, the technical assessment became irrelevant." (INT23)

These accounts illustrate how informal power relations displaced formal risk controls.

Insider Dealings and Related-Party Transactions

The Bank of Ghana documented that emergency liquidity support provided to Capital Bank was misappropriated and channelled into related-party entities rather than being used to stabilise the bank (Bank of Ghana, 2018). This constituted a serious breach of prudential regulations and fiduciary responsibility.

A banking consultant described this process bluntly:

"Once liquidity support became available, it was treated as free money. There was no effective monitoring, and insiders simply moved funds to their own companies." (INT9)

Similarly, a former regulator noted:

"The problem was not just liquidity stress but deliberate abuse of funds by insiders who knew the system would be slow to act." (INT31)

Together, these accounts highlight how insider dominance and weak enforcement accelerated institutional failure.

Lack of Board Independence

The Bank of Ghana further identified board ineffectiveness as a central governance weakness, noting that boards were dominated by founders and controlling shareholders, which severely constrained independent oversight (Bank of Ghana, 2018).

This assessment is echoed in interview data. A non-executive director observed:

"The dominance of founders meant that board meetings became ceremonial. Independent directors were present, but their voices carried little weight." (INT27)

Another independent director added:

"*You could raise concerns, but everyone knew certain decisions had already been taken elsewhere."* (INT19)

The collapse of UT Bank and Capital Bank significantly undermined confidence in the banking sector and necessitated extensive state intervention, with government expenditure estimated at approximately GH¢20 billion.

Beige Bank

Beige Bank's collapse in 2018 further illustrates how governance failure translated into insolvency. Bank of Ghana investigations revealed systematic diversion of depositor funds to related entities within the Beige Group, alongside weak internal controls and ineffective board oversight (Bank of Ghana, 2019).

Mismanagement of Funds

Regulatory reports confirmed that Beige Bank routinely transferred funds to affiliated companies without proper authorisation, documentation, or repayment plans.

A former senior executive explained:

"There was no separation between the bank's finances and those of the Beige Group. The CEO treated the bank's funds as his own, funnelling money into unrelated businesses."(INT25)

This was reinforced by another executive director:

"The bank effectively became a financing arm of the group. Depositor funds were constantly being recycled into private ventures." (INT33)

Inadequate Internal Controls

The Bank of Ghana's forensic audit identified severe deficiencies in internal audit and compliance systems, which failed to detect or prevent irregular transactions (Bank of Ghana, 2019).

A former auditor reflected:

"*Audit processes were either weak or deliberately compromised. The systems that should have flagged irregularities simply did not function."* (INT8)

A board secretary provided a complementary perspective:

"Reports were prepared, but there was little follow-up. Issues raised by internal audit were rarely escalated or acted upon." (INT10)

Board Incompetence

The regulator further noted that the board lacked sufficient banking expertise and independence to challenge management decisions (Bank of Ghana, 2019).

As one consultant stated:

"The board was largely a rubber stamp. They lacked both the technical knowledge and the independence required to challenge management." (INT4)

Another non-executive director added:

"Many board members simply did not understand banking risk. That made it easy for management to dominate discussions." (INT34)

Beige Bank's failure resulted in losses exceeding GHS 1 billion, intensifying instability across the sector.

Sovereign Bank

Sovereign Bank collapsed after the Bank of Ghana determined that its licence had been obtained through false representations, including fictitious capital and fabricated documentation (Bank of Ghana, 2019).

False Licensing and Fraudulent Transactions

The regulator concluded that Sovereign Bank failed to meet statutory capital requirements and engaged in fraudulent transactions from inception.

A banking consultant familiar with the case noted:

"Management was deeply involved in fraudulent activities, and the board either turned a blind eye or was complicit." (INT9)

An ex-bank director similarly observed:

"*This was not a case of poor performance; it was a bank that should never have been licensed in the first place*." (INT14)

Weak Regulatory Oversight

While the Bank of Ghana eventually revoked the licence, the case exposed weaknesses in pre-licensing due diligence and early supervisory enforcement.

A former regulator reflected:

"The fact that Sovereign Bank operated for as long as it did under false pretences shows serious gaps in regulatory checks." (INT31)

Another government official added:

"Early warning signs were there, but intervention came too late to prevent losses." (INT30)

The bank's closure and subsequent absorption into Consolidated Bank Ghana highlighted the systemic consequences of governance and regulatory failure.

5.5 Chapter Summary

Chapter 5 has examined the evolution of bank governance reforms in Ghana, with particular emphasis on the complex interaction between formal regulatory frameworks and the enduring influence of neo-patrimonial practices. The chapter situated contemporary governance challenges within a historical context, tracing the development of Ghana's banking sector from the colonial period through post-independence reforms to the modern financial system. This historical trajectory demonstrates how institutional legacies and political structures have continued to shape governance outcomes within the banking sector.

The chapter outlined the regulatory architecture governing Ghana's banking system, highlighting the roles of key domestic and international institutions, including the Bank of Ghana, the World Bank, the International Monetary Fund, the Securities and Exchange Commission, the Ghana Stock Exchange, and the Ghana Deposit Protection Corporation. It examined the legal and regulatory foundations of the sector, particularly post-independence banking legislation, and showed how these frameworks continue to structure supervisory practices and institutional behaviour.

A substantial part of the chapter focused on Ghana's adoption of the Basel banking standards, beginning with Basel I in the late 1980s. It analysed the implementation of Basel II and Basel III, drawing attention to the challenges associated with these reforms, including heightened capital requirements, increased regulatory complexity, and the consolidation of the banking sector. While these reforms were intended to enhance financial stability, the chapter demonstrated that their implementation was uneven and often constrained by institutional capacity and political considerations.

The chapter further explored the political economy underpinning the implementation of Basel standards in Ghana, highlighting the tension between the formal independence of the Bank of Ghana and the political pressures that influence its regulatory actions. Although the central bank is legally mandated to operate autonomously, its decision-making processes are frequently shaped by informal political networks and elite interests, reflecting the broader neo-patrimonial context within which bank governance operates.

Overall, Chapter 5 provides a comprehensive account of the evolution of bank governance in Ghana, illustrating how global regulatory reforms are mediated by local political, institutional, and socio-economic dynamics. The chapter underscores the limits of technocratic governance reforms in contexts where informal power structures remain influential, setting the stage for the subsequent empirical analysis of governance failures, bank collapses, and their implications for financial stability.

6. CHAPTER SIX NEOPATRIMONIALISM IN GHANAIAN BANK GOVERNANCE

6.1 Introduction

This chapter examines the role of neopatrimonialism in shaping bank governance in Ghana, focusing on the interaction between formal governance frameworks and the informal practices and power relations that influence how these frameworks operate in practice. While Ghana's banking sector is governed by an extensive body of laws, regulations, and corporate governance codes, the effectiveness of these formal arrangements is frequently mediated by personalised authority, patronage networks, and informal norms that permeate decision-making processes within banks.

Building on the historical, institutional, and legal foundations established in earlier chapters, this chapter explores how formal governance mechanisms such as bank boards, audit and risk committees, regulatory oversight, and compensation systems interact with informal networks that often reshape governance outcomes to serve personal, political, or network-based interests. It considers how key actors, including board members, senior executives, regulators, and consultants, navigate a governance environment characterised by the coexistence of bureaucratic rules and personalised power relations, and how this coexistence affects accountability, oversight, and banking sector stability.

A central concern of the chapter is the interplay between internal and external governance mechanisms, and the extent to which the distinction between these mechanisms becomes blurred in a neopatrimonial context. Although regulatory oversight is conventionally treated as an external governance mechanism and practices such as board dynamics or compensation as internal mechanisms, in practice these domains are closely intertwined. Informal networks frequently bridge internal organisational processes and external regulatory environments, complicating clear analytical demarcations. While the chapter therefore addresses internal and external governance mechanisms in separate sections, it recognises that overlap is unavoidable and analytically significant.

In Ghana, neopatrimonialism operates as a dual system in which formal bureaucratic arrangements coexist with, and are often overshadowed by, personalised relationships and informal power structures. Informal channels frequently run parallel to, or bypass, formal governance processes, shaping whose interests are prioritised and how decisions are justified. Although Ghana has adopted many international banking governance standards, their implementation is frequently filtered through neo-patrimonial practices, with important implications for institutional effectiveness, accountability, and financial stability.

The chapter is structured as follows. Section 6.2 examines the broader contextual influences of culture, religion, and social norms on bank governance. Section 6.3 analyses internal bank governance mechanisms, focusing on boards, committees, and compensation structures. Section 6.4 considers external governance mechanisms, particularly regulatory oversight. Section 6.5 explores informal practices, including informal networks and informal power structures, as central features of neo-patrimonial governance. Section 6.6 concludes the chapter by synthesising the key findings and their implications for bank governance in Ghana.

6.2 Context, Culture and Religion

An adequate understanding of bank governance in Ghana requires careful attention to the wider socio-cultural and religious context within which formal governance frameworks operate. Although Ghana's banking sector is regulated through detailed legal and institutional arrangements aligned with international standards, the empirical evidence from this study demonstrates that governance practices are profoundly shaped by societal norms, moral expectations, and informal authority relations. These contextual forces influence how governance rules are interpreted, enacted, and enforced, and therefore constitute an essential foundation for analysing neopatrimonial dynamics in Ghanaian bank governance.

Documentary evidence confirms that Ghana has developed an extensive formal governance architecture for the banking sector. The Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930) assigns clear fiduciary responsibilities to boards and senior management, while the Bank of Ghana Corporate Governance Directive (2018, revised 2020) mandates board independence, ethical conduct, effective challenge, and robust risk oversight. These instruments reflect legal rational governance principles designed to promote accountability and financial stability. However, interview evidence suggests that the practical operation of these rules is mediated by deeply embedded cultural norms that shape organisational behaviour.

Several interviewees emphasised that Ghanaian social culture, characterised by hierarchy, respect for authority, and the preservation of social harmony, significantly influences boardroom interactions. An executive director explained:

“In our culture, openly challenging a senior person, especially someone older or socially influential, is not straightforward. Even when governance rules expect challenge, directors often soften their language or avoid confrontation entirely because you do not want to be seen as disrespectful or disloyal.” (INT 12)

Similarly, a non-executive director observed that:

“Board discussions are often shaped by unspoken cultural rules. You may have concerns, but you weigh them carefully because pushing too hard can damage relationships. So, what you see in the minutes may not reflect the full extent of what people are thinking.” (INT 36)

These accounts contrast with the expectations articulated in the Bank of Ghana Corporate Governance Directive, which explicitly requires directors to exercise independent judgement and robust oversight. The divergence between regulatory intent and observed practice illustrates how cultural norms can weaken formal governance mechanisms without overt rule violations.

Religion constitutes another important contextual influence on bank governance in Ghana. Ghanaian society places high value on religious identity, often associating it with moral integrity and trustworthiness. Documentary discussions of corporate ethics in Ghana frequently highlight religious values as supportive of ethical conduct (Ackah and Asiamah, 2016). However, interview evidence reveals a more complex reality. A banking consultant noted:

“There is an assumption that if someone is very religious, then they are ethical and should not be questioned too much. In practice, that can reduce scrutiny because people feel uncomfortable challenging someone who is publicly seen as morally upright.” (INT 18)

A retired bank director reinforced this point, stating:

“Religious reputation can act like a shield. You hesitate to probe deeply because it can be interpreted as questioning someone’s character, not just their decision. That creates blind spots in governance, even when formal rules are in place.” (INT 46)

These insights align with broader governance literature suggesting that moral legitimacy grounded in religion can, paradoxically, weaken institutional accountability when it substitutes for formal controls (Willke and Willke 2008).

The interaction between culture, religion, and informal power relations reflects core features of neopatrimonialism. Interviewees consistently described governance environments in which authority derives not only from formal roles but also from political connections, social standing, and network ties. An independent director explained:

"Formally, the rules are clear, but informally, influence comes from who you know and where you are connected. Decisions are sometimes shaped long before they reach the boardroom, and by the time they arrive, challenging them becomes very difficult." (INT 7)

This observation was corroborated by a former regulator, who stated:

"Regulatory frameworks are strong on paper, but enforcement is complicated by social and political realities. There are situations where taking action against certain individuals or institutions is sensitive, and that affects how strictly rules are applied." (INT 31)

Political economy analyses of Ghana similarly emphasise how personal networks and informal obligations mediate access to authority and resources, even within formally regulated sectors (Van de Walle, 2001; Erdmann and Engel, 2007). The evidence between interview data and documentary sources underscores that governance challenges arise not from institutional absence but from the selective application of formal rules.

The findings also highlight the limits of governance reform in the absence of broader cultural change. The Bank of Ghana Corporate Governance Disclosure Directive has significantly expanded reporting requirements on board composition, committee activities, and ethical conduct. While these reforms have enhanced transparency, interviewees stressed that compliance often remains procedural rather than substantive. A board secretary remarked:

"Governance reforms have improved documentation and reporting, but behaviour has not always changed at the same pace. You can comply with disclosure requirements and still have informal influences shaping real decisions behind the scenes." (INT 10)

A senior regulator similarly observed:

"Many institutions now look compliant because the disclosures are there, but the underlying culture has not shifted enough. Without addressing informal norms, regulation alone cannot deliver effective governance." (INT 45)

These reflections echo international reform literature showing that formal rule adoption often produces symbolic compliance when underlying incentives and norms remain unchanged (Andrews, 2013; Lassou and Hopper, 2016).

Crucially, the study demonstrates that broader societal culture is reproduced within banks as organisational culture, shaping internal governance mechanisms. Several interviewees explicitly linked societal norms to board behaviour. A non-executive director explained:

"The same cultural expectations you see in society operate inside the bank. Respect for hierarchy, loyalty, and avoiding conflict all come into the boardroom, and that affects how independence and oversight actually work." (INT 39)

This finding is particularly important for the analysis that follows, as it shows how neopatrimonial influences enter internal governance mechanisms indirectly through organisational culture rather than through explicit breaches of formal rules.

6.3 Internal Governance Mechanisms

Section 6.2 demonstrated that Ghanaian banking governance is embedded within a wider socio-cultural environment characterised by hierarchy, personal loyalty, and moral obligation. These influences do not remain external to banks but shape how internal governance mechanisms function in practice. This section therefore examines internal governance mechanisms as culturally embedded arrangements rather than purely technical controls. While regulatory frameworks prescribe formal structures such as boards, committees, and remuneration policies, their operation is conditioned by informal norms and power relations consistent with neopatrimonial logics.

Internal governance mechanisms are especially critical in banking because they constitute the first line of defence against excessive risk-taking and governance failure (Van Greuning and Bratanovic, 2020). In Ghana, such mechanisms are formally aligned with international standards through Bank of Ghana directives. However, as this section shows, formal alignment does not guarantee substantive effectiveness. Instead, internal governance reflects the interaction between formal rules and informal authority, producing governance outcomes that often diverge from regulatory intent.

This section focuses on three interrelated mechanisms. It begins with bank boards and board composition, which occupy a central position in governance. It then turns to audit and risk committees, before examining compensation structures. Together, these mechanisms illustrate how organisational governance reproduces broader cultural and political dynamics identified earlier.

6.3.1 Bank Boards and Composition

Bank boards are formally tasked with strategic oversight, monitoring management, and safeguarding financial stability. Regulatory guidance in Ghana emphasises collective responsibility, director independence, and merit-based appointments (Bank of Ghana, 2020). However, interview and documentary evidence indicates that board composition and behaviour are frequently shaped by informal considerations that limit the effectiveness of these formal expectations. Interviewees consistently highlighted that board appointments are not determined solely by expertise. A non-executive director explained:

"Formally, the criteria are clear, but in reality social standing, political exposure, and personal networks play a significant role. Individuals are sometimes appointed because of what they represent rather than what they know about banking or governance." (INT 36).

This aligns with post-crisis assessments of Ghana's banking sector, which identified politically connected boards and weak oversight as contributing factors to institutional failure (Torku and Laryea, 2021). From a neopatrimonial perspective, such appointments reflect the penetration of formal governance structures by informal networks (Erdmann and Engel, 2007). Board independence, while formally required, is often constrained in practice. An independent director noted:

"*Even when you are labelled independent, you are conscious of how you got there. When appointments are linked to influential actors, there is pressure to be cautious. Challenging decisions too forcefully can have consequences*." (INT 7)

This suggests that independence is frequently symbolic rather than substantive, echoing broader findings that informal loyalties undermine board autonomy in African governance contexts (Hopper, 2017). Cultural norms further shape boardroom dynamics. An executive director reflected:

"Culturally, openly confronting senior or powerful figures is difficult. In meetings, silence is often interpreted as agreement, but it may simply reflect respect or fear of disrupting relationships." (INT 21)

Such norms weaken critical challenge and reinforce deference, limiting boards' monitoring capacity in a sector where robust scrutiny is essential.

Leadership concentration compounds these effects. A former regulator observed:

"Where the board chair is highly connected, authority tends to centre on that individual. Formal processes still occur, but collective decision-making is weakened because others defer to the chair's influence." (INT 31)

This concentration of authority mirrors findings by Lassou and Hopper (2016), who show how dominant individuals can hollow out formal board structures, rendering them procedural rather than substantive. Despite these constraints, interviewees emphasised that board behaviour is not fixed. Periods of regulatory pressure temporarily strengthened oversight. A banking consultant stated:

"After the crisis, directors became more alert. There was real concern about personal exposure and reputation. Boards asked tougher questions, but sustaining that discipline once the pressure eases remains difficult." (INT 18)

This reinforces the view that neopatrimonialism does not produce uniform outcomes. Formal governance mechanisms can constrain informal practices under certain conditions, but such constraints are fragile and context-dependent (Mkandawire, 2015).

Overall, bank boards in Ghana operate within a governance environment shaped by formal regulation and informal authority. While boards may comply structurally with governance codes, their effectiveness is often diluted by appointment practices, cultural norms of deference, and personalised power. These dynamics help explain persistent weaknesses in oversight despite regulatory reform. The next section extends this analysis by examining audit and risk committees, where similar informal influences have particularly direct implications for risk governance and financial stability.

6.3.2 Audit and Risk Committees: Formal Oversight vs. Informal Influence

Audit and risk committees constitute central pillars of internal governance in banking institutions, charged with safeguarding financial integrity, overseeing risk management, and ensuring regulatory compliance. In Ghana, these committees are formally embedded within regulatory frameworks issued by the Bank of Ghana, which mandate their establishment, composition, independence, and functional responsibilities (Bank of Ghana, 2020). From a formal perspective, audit and risk committees are designed to provide technical scrutiny and act as buffers between management discretion and board accountability. However, empirical evidence from this study indicates that their effectiveness is frequently undermined by neo-patrimonial dynamics that shape both membership and operational behaviour.

Interviewees consistently emphasised that while audit and risk committees exist and meet regularly, their substantive influence is constrained by informal power relations. An audit committee member explained:

"On paper, the committee is independent and very powerful. In practice, the boundaries are not so clear. If issues touch on politically sensitive clients or senior executives with strong backing, discussions become cautious and sometimes inconclusive." (INT 17)

Similarly, a non-executive director observed:

"Audit committees exist and meet regularly, but independence is conditional (but not on paper, you know). If your appointment is linked to a network, you are careful not to be seen as disruptive, even when control weaknesses are obvious." (INT 36)

These observations align with documentary evidence from post-crisis assessments of Ghana's banking sector, which identified weak internal risk oversight and delayed escalation of governance concerns as contributors to bank failures (Torku and Laryea, 2021). Neo-patrimonial theory helps explain why such weaknesses persist despite formal compliance: informal authority often overrides technical judgement when political or personal loyalties are implicated (Erdmann and Engel, 2007). Committee composition emerged as a key vulnerability. Although regulatory directives emphasise expertise and independence, interview data suggest that appointments are sometimes shaped by the same patronage networks that influence board composition. A banking consultant noted:

"You often see the same names rotating across boards and committees. Technically they qualify, but their real value is their connections. That makes it difficult for committees to challenge transactions involving powerful actors." (INT 22)

This was reinforced by another consultant, who stated:

"Committee members may understand the risks, but if their position depends on powerful sponsors, independence becomes theoretical. Oversight is softened to preserve relationships." (INT 28)

Such patterns resonate with findings by Nakpodia and Adegbite (2018), who demonstrate that elite influence and informal social ties frequently compromise committee independence in African corporate governance contexts. Similar dynamics are observed in Kenya, where audit and governance mechanisms have been shown to operate symbolically under neo-patrimonial conditions (Kimani et al., 2021).

The functioning of risk committees is particularly affected by these dynamics. Risk management frameworks exist, and risk appetite statements are formally approved, yet interviewees described selective enforcement in practice. A risk director stated:

"Risk reports are produced, but when lending decisions involve politically exposed persons or strategic allies, risk thresholds become flexible. The committee may flag concerns, but the final decision often reflects broader considerations." (INT 23)

An executive director similarly remarked:

"Risk committees flag issues, but escalation depends on who is involved. Certain names carry weight, and that changes how aggressively risks are questioned." (INT 12)

These reflects broader empirical findings that politically connected lending and regulatory forbearance contributed to asset quality deterioration prior to Ghana's banking crisis (Li et al., 2020). From a neo-patrimonial perspective, such practices illustrate how informal obligations distort formal risk governance, increasing exposure to non-performing loans and systemic instability.

Audit processes are similarly affected. An ex-auditor observed:

"*External audits and internal audit reports are taken seriously up to a point. But there are instances where findings are negotiated rather than acted upon, especially when reputational or political implications are involved*." (INT 8).

This was echoed by a board secretary:

"Audit reports go to the board, but follow-up depends on the personalities involved. Strong chairs can push action, but where informal ties exist, enforcement becomes selective." (INT 10)

This corroborates accounting research showing that audit mechanisms in neo-patrimonial environments are often absorbed into informal bargaining processes, limiting their disciplining effect (Lassou and Hopper, 2016; Hopper, 2017). Ahmed and Uddin (2024) similarly argue that social and cultural legacies shape how governance mechanisms are enacted, with formal controls frequently subordinated to relational considerations.

Importantly, interviewees acknowledged that regulatory pressure can temporarily strengthen committee effectiveness. A former regulator remarked:

"After the crisis, audit and risk committees became more assertive because directors felt exposed. But sustaining that independence over time is difficult once political and commercial pressures reassert themselves." (INT 47)

A retired bank director similarly noted:

"Crisis periods force discipline, but sustaining independence is difficult once the immediate fear passes. Informal networks are deeply embedded and do not disappear overnight." (INT 46)

This reinforces the argument that neo-patrimonialism does not eliminate governance capacity but renders it unstable and contingent. Formal mechanisms can constrain informal influence under heightened scrutiny, yet remain vulnerable to re-absorption once external pressure diminishes (Mkandawire, 2015).

Overall, audit and risk committees in Ghanaian banks exemplify the tension between formal governance design and informal practice. While regulatory frameworks mandate robust oversight structures, neo-patrimonial logics shape how these committees are staffed, how issues are debated, and which risks receive decisive action. These dynamics weaken internal controls and help explain why governance failures accumulated despite apparent compliance. The next section extends this analysis to effective audit and risk committees.

6.3.2.1 Effective Audit and Risk Committees

While much of the preceding analysis highlights how neo-patrimonial dynamics weaken audit and risk committees in Ghanaian banks, it is analytically important to recognise that effectiveness is not entirely absent. Examining instances where audit and risk committees have functioned credibly helps to clarify the conditions under which formal governance structures can constrain informal influence, even within a neo-patrimonial environment. Such cases do not negate the broader structural challenges identified, but rather illustrate that effectiveness is contingent, fragile, and often dependent on institutional discipline and leadership choices.

GCB Bank Plc (formerly Ghana Commercial Bank) provides a salient illustration of relatively effective audit and risk committee functioning within Ghana's banking sector. As a systemically important bank with a long institutional history, GCB has been subject to sustained regulatory scrutiny, particularly following sector-wide reforms introduced after the banking clean-up. Documentary evidence from Bank of Ghana supervisory reports and public disclosures indicates that GCB has consistently complied with requirements relating to committee composition, independence, and technical competence, particularly in the areas of audit oversight and enterprise-wide risk management (Bank of Ghana, 2020).

Interview data reinforce this documentary picture. A retired executive director with direct experience of board processes explained:

"At GCB, audit and risk committee membership was treated very seriously. Appointments were based on professional qualifications and banking experience, not political considerations. That gave the committee the confidence to interrogate management decisions without fear of informal repercussions." (INT23)

This emphasis on merit-based appointments was repeatedly identified as central to committee effectiveness. A governance consultant with experience advising multiple Ghanaian banks contrasted GCB's approach with sector-wide norms:

"What distinguishes GCB is that the audit and risk committee is not decorative. Members engage deeply with audit findings, challenge assumptions, and insist on follow-through. That

culture of scrutiny is rare, but it shows what is possible under strong regulatory pressure." (INT18)

These accounts align with regulatory documentation highlighting GCB's comparatively strong internal controls and early risk identification practices during periods of macroeconomic stress (Bank of Ghana, 2019). Importantly, however, interviewees emphasised that such effectiveness is closely tied to continuous oversight and cannot be assumed to be self-sustaining.

Fidelity Bank Plc offers another example of effective audit committee practice, particularly in relation to independence and technical expertise. Public disclosures and regulatory filings indicate that Fidelity has invested heavily in strengthening its audit and risk architecture, especially following lessons from the banking sector clean-up. The bank's audit committee is formally composed of independent directors with substantial experience in finance, audit, and banking regulation, reflecting a deliberate effort to insulate oversight from informal influence.

An audit committee member at Fidelity described this operational independence in detail:

"Independence here is not just something written in the governance manual. We are encouraged to question aggressively, to demand clarity from management, and to escalate issues when necessary. There is a clear understanding that oversight comes before relationships." (INT17)

A former regulator interviewed for this study confirmed that Fidelity's audit committee has often been viewed favourably from a supervisory perspective:

"Fidelity stood out because its audit committee engaged constructively with regulators and external auditors. They did not wait for problems to escalate before acting, which is precisely what regulators expect but do not always see." (INT47)

Documentary evidence supports these claims. Regulatory correspondence and post-clean-up supervisory assessments indicate that Fidelity's audit committee played an active role in strengthening financial reporting accuracy and enforcing compliance with risk governance standards (Bank of Ghana, 2020).

From the above, the GCB and Fidelity cases demonstrate that effective audit and risk committees are achievable within Ghana's banking sector, even in a context shaped by neo-patrimonial logics. Key enabling factors include sustained regulatory oversight, merit-based appointments, technical competence, and a board-level culture that legitimises challenge and scrutiny. However, these cases should be understood as exceptions rather than the norm. Interviewees consistently cautioned that such effectiveness is vulnerable to erosion where regulatory pressure weakens or where informal networks reassert influence over appointments and decision-making.

The post–banking clean-up period has undoubtedly strengthened audit and risk committee practices across the sector, particularly through stricter enforcement, enhanced disclosure requirements, and heightened personal liability for directors. Yet, as several respondents noted, these gains remain fragile. Informal loyalties, political connections, and personalised authority have not disappeared; rather, they have been partially constrained. As one former regulator observed, "*fear improves behaviour, but fear fades*" (INT47).

Thus, effective audit and risk committees in Ghanaian banks are possible but contingent. Where independence, expertise, and regulatory discipline align, committees can provide meaningful oversight and contribute to institutional stability. Where neo-patrimonial pressures dominate, however, committees risk becoming symbolic, reinforcing the broader governance weaknesses identified in this chapter. This tension between formal policy design and informal incentive structures becomes even more pronounced when examining executive and board compensation systems, which is the focus of the next section.

6.3.3 Compensation Structures: Navigating Formal Policies and Neo-Patrimonial Influences

Compensation structures constitute a central internal governance mechanism within banks, intended to align executive incentives with institutional performance, prudential risk management, and long-term stability (Van Greuning and Bratanovic, 2020). In Ghana's banking sector, however, compensation arrangements vividly illustrate the tension between formal governance prescriptions and neo-patrimonial practices. While remuneration policies are formally guided by regulatory directives and internal governance codes issued by the Bank of Ghana (Bank of Ghana, 2020), their design, application, and enforcement are frequently shaped by informal power relations, patronage, and personalised authority characteristic of neo-patrimonial systems (Erdmann and Engel, 2007). As a result, compensation systems often deviate from their intended governance function, undermining accountability, distorting incentives, and weakening risk discipline within banks.

Formally, executive and board compensation in Ghanaian banks is governed by internal remuneration policies approved by boards and subject to disclosure requirements under the

Bank of Ghana's Corporate Governance Directive (2018) and Corporate Governance Disclosure Directive (2020). These frameworks emphasise performance alignment, risk sensitivity, and board oversight, particularly through remuneration committees (Bank of Ghana, 2018; Bank of Ghana, 2020). Documentary evidence indicates that banks are required to link remuneration to measurable performance indicators while ensuring that incentive structures do not encourage excessive risk-taking.

Interview evidence, however, reveals a persistent gap between formal policy and practical implementation. Performance-linked compensation, in particular, emerged as a double-edged governance mechanism. While intended to align executive behaviour with institutional objectives, it often incentivises short-termism and risk distortion when oversight is weak. An executive director with responsibility for human resources explained:

"On paper, bonuses are linked to performance metrics, but in practice those metrics can be manipulated. Executives know what targets trigger rewards, so behaviour becomes about hitting numbers, not managing risk or safeguarding the institution." (INT15)

A second executive director reinforced this concern, highlighting how compensation pressures interact with informal expectations:

"There is an unspoken pressure to deliver results that justify remuneration, especially where appointments are politically sensitive. That pressure can lead people to cut corners, take risks, or delay recognising problems so the figures look good." (INT11)

These accounts illustrate how performance-linked pay, when embedded in a neo-patrimonial context, may incentivise behaviour that undermines prudential governance. Documentary evidence from post–banking clean-up supervisory reviews supports this concern, noting that weak remuneration oversight contributed to excessive risk-taking and delayed loss recognition prior to the sector crisis (Bank of Ghana, 2019).

Beyond performance incentives, interview data reveal that compensation structures are also shaped by patronage and personalised authority. In several banks, remuneration decisions were described as being influenced by loyalty, political proximity, or personal relationships rather than objective performance assessment. A non-executive director reflected on this dynamic:

"In some cases, remuneration is less about performance and more about who the individual is connected to. When someone is politically exposed or strategically important, remuneration decisions become very difficult to challenge." (INT36)

Similarly, a former regulator noted that such practices complicate supervisory efforts:

"We see banks complying with disclosure requirements, but the substance behind remuneration decisions is often opaque. Informal agreements and expectations sit behind what is formally reported." (INT47)

These practices weaken the effectiveness of remuneration committees, even where they exist formally. Although remuneration committees are mandated to operate independently, interviewees suggested that their authority is often constrained by dominant executives or influential board members. This echoes documentary findings in regulatory correspondence highlighting concerns about the real independence of board committees responsible for executive pay (Bank of Ghana, 2020).

The enforcement of compensation policies thus represents a critical governance challenge. While regulatory reforms following the banking clean-up strengthened disclosure and board accountability, interviewees consistently argued that enforcement remains uneven. An audit committee member observed:

"The clean-up forced banks to document and disclose remuneration properly, but it did not remove informal influence. You still see situations where policies are applied flexibly for certain individuals." (INT17)

Another consultant emphasised that cultural and political constraints limit how far formal rules can go:

"You can design the best remuneration framework, but if the culture tolerates exceptions for powerful people, the framework will not work as intended." (INT22)

These findings show that compensation structures in Ghanaian banks are deeply embedded within broader neo-patrimonial dynamics. Patronage and clientelist expectations intersect with formal remuneration systems, shaping both incentives and enforcement. This does not imply the absence of progress. Documentary evidence indicates that post-crisis reforms have improved transparency and reduced the most egregious abuses. However, the persistence of informal influence means that compensation remains a key site where governance weaknesses are reproduced internally.

From the above, while compensation structures exemplify how neo-patrimonialism operates within internal governance mechanisms. While formal policies exist and are increasingly sophisticated, their effectiveness is mediated by informal power relations that prioritise loyalty, status, and political considerations over prudential discipline. These dynamics weaken the alignment between remuneration, risk management, and long-term stability, reinforcing the broader governance challenges identified across this chapter. The next section builds on these internal dynamics by examining how external governance mechanisms, particularly regulatory oversight, interact with and sometimes constrain these internal practices.

6.4 External Governance Mechanisms

While the preceding sections have examined how culture and internal governance mechanisms shape bank behaviour, these dynamics do not operate in isolation. Bank governance in Ghana is also profoundly influenced by external governance mechanisms, particularly regulatory oversight, statutory frameworks, and supervisory enforcement. These mechanisms are intended to provide discipline, constrain discretion, and correct internal governance failures. However, as this section demonstrates, their effectiveness is conditioned by the same neo-patrimonial logics that permeate internal governance processes.

External governance mechanisms are especially significant in banking because of the sector's systemic importance, high leverage, and reliance on public confidence (DeAngelo and Stulz, 2013). Unlike many non-financial firms, banks are subject to dense regulatory supervision, prudential rules, and continuous monitoring by state authorities, most notably the Bank of Ghana (BoG). In formal terms, Ghana's regulatory architecture aligns closely with international standards, incorporating statutory requirements under the *Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930)*, the *Companies Act, 2019 (Act 992)*, and detailed governance and disclosure directives issued by the BoG. These frameworks are designed to reinforce internal governance by shaping board behaviour, executive conduct, risk management, and accountability.

However, empirical evidence from this study indicates that formal regulatory strength does not automatically translate into effective external governance. Instead, regulatory oversight operates within a socio-political environment characterised by informal networks, political influence, and personalised authority. As one former regulator explained:

"On paper, the Bank of Ghana has very strong powers. But in practice, enforcement depends on who is involved. When politically connected institutions or individuals are concerned, regulators become cautious, sometimes excessively so, and supervision becomes more negotiated than enforced" (INT31).

This observation highlights why external governance cannot be analysed solely in terms of legal design or institutional capacity. Rather, it must be understood as a process shaped by interactions between formal authority and informal influence, echoing the neo-patrimonial dynamics identified earlier in internal governance structures.

Another senior government official reinforced this point by emphasising the gap between regulatory intent and regulatory outcomes:

"The laws are not the problem. Ghana has enough banking laws and governance directives. The real issue is implementation. Informal pressure, political considerations, and personal relationships often determine how strictly rules are applied" (INT30).

These accounts suggest that external governance mechanisms both constrain and reproduce governance weaknesses. Regulatory oversight may succeed in strengthening disclosure, formal compliance, and institutional visibility, yet remain vulnerable to selective enforcement and regulatory forbearance where informal power intervenes.

Against this backdrop, regulatory oversight (Section 6.4.1) is examined first, as it constitutes the primary external governance mechanism through which the state seeks to discipline bank behaviour. This subsection focuses on the role of the Bank of Ghana and related statutory frameworks, including supervisory practices, compliance monitoring, sanctions, and post-crisis reforms. It evaluates how regulatory authority is exercised in practice, and how enforcement is shaped by political economy considerations.

Building on this, Section 6.4.2 (Formal Structures and Informal Networks) then examines how external governance arrangements are mediated by informal relationships that operate alongside and sometimes through regulatory institutions. This includes political patronage, elite networks, and negotiated compliance between banks and regulators. Placing this subsection after regulatory oversight allows the analysis to show not only *what* the formal system is designed to do, but *how and why* its operation is reshaped in practice.

6.4.1 Regulatory Oversight

Overall, this section demonstrates that external governance mechanisms in Ghanaian banking are neither wholly ineffective nor fully autonomous. Instead, they function within a neo-patrimonial environment that simultaneously enables formal regulatory reform and constrains its impact. Understanding this tension is essential for explaining persistent governance weaknesses despite extensive regulatory intervention, and it provides the foundation for the detailed empirical analysis that follows in Sections 6.4.1 and 6.4.2.

Regulatory oversight constitutes the central external governance mechanism through which the Ghanaian state seeks to discipline bank behaviour, safeguard financial stability, and compensate for weaknesses in internal governance arrangements. In principle, the regulatory framework governing banks in Ghana is comprehensive and closely aligned with international standards. It is anchored in a dense legal architecture that includes the *Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930)*, the *Bank of Ghana Act, 2002 (Act 612)* as amended, the *Companies Act, 2019 (Act 992)*, and the *Bank of Ghana Corporate Governance Directive (2018, revised 2020)*. Together, these instruments assign the Bank of Ghana extensive supervisory authority over licensing, board appointments approval, risk management, governance disclosures, capital adequacy, and enforcement.

Formally, these frameworks position the Bank of Ghana as a powerful external monitor capable of constraining excessive risk-taking and correcting internal governance failures. The post-2017 banking sector clean-up further strengthened this authority, expanding supervisory powers, tightening fit-and-proper requirements for directors and senior managers, and increasing disclosure obligations relating to governance practices, remuneration, and risk oversight. Documentary evidence from Bank of Ghana supervisory reports and governance directives emphasises zero tolerance for insider lending, weak board oversight, and regulatory non-compliance, signalling an explicit regulatory commitment to restoring discipline and credibility in the sector.

However, empirical evidence from this study reveals that the effectiveness of regulatory oversight is shaped less by the formal strength of rules than by how they are enforced within a neo-patrimonial context. Several interviewees consistently highlighted a gap between regulatory design and regulatory practice. A former senior regulator described this tension in detail:

“The regulatory framework itself is quite strong, especially after the reforms. The problem is not the absence of rules, but the politics around enforcement. When enforcement involves

individuals or institutions with strong political connections, the process becomes cautious, negotiated, and sometimes delayed. That is where governance problems begin" (INT31).

This perspective was reinforced by another former regulator, who emphasised that discretion is often exercised unevenly:

"There is a clear difference between what the law says and how it is applied. Some banks are sanctioned quickly, others are given time to 'correct' issues informally. That difference is rarely about compliance alone; it is about influence and connections" (INT47)

These accounts illustrates how regulatory authority, though formally independent, operates within a political and social environment that conditions enforcement behaviour. Rather than applying rules uniformly, regulators may exercise discretion shaped by informal pressures, concerns about political backlash, or expectations of reciprocity. Such dynamics are consistent with neo-patrimonial governance, where formal authority coexists with personalised power and negotiated compliance.

A similar concern was raised by a senior government official involved in financial sector oversight, who emphasised the selective nature of regulatory discipline:

"In theory, all banks are subject to the same supervisory standards. In practice, enforcement is uneven. Smaller or less connected banks feel the full weight of regulation, while more powerful institutions often receive more time, more dialogue, and more accommodation before sanctions are applied" (INT30).

This unevenness undermines the credibility of external governance mechanisms and weakens their deterrent effect. When regulatory sanctions are perceived as negotiable, banks and executives may discount the risks of non-compliance, reinforcing moral hazard and eroding governance discipline.

Regulatory oversight is also mediated through ongoing supervisory interactions, including on-site examinations, off-site monitoring, compliance reporting, and engagement with boards and senior management. While these processes are intended to enhance transparency and accountability, interview evidence suggests that they can become routinised and procedural, particularly when regulators rely heavily on formal documentation rather than probing underlying practices. A bank board secretary reflected on this dynamic:

"There is a lot of reporting and documentation required, and banks have become very good at producing what regulators want to see. But producing reports is not the same as changing behaviour. If the regulator does not push beyond the documents, real governance issues can remain hidden" (INT10).

This observation highlights a recurring theme in neo-patrimonial systems: **symbolic compliance**. Banks may formally satisfy regulatory requirements while substantive practices remain shaped by informal authority, loyalty, and political influence. Regulatory oversight, in this sense, risks reinforcing appearances of good governance without necessarily transforming underlying power relations.

External audit and compliance functions form another layer of regulatory oversight. Statutory audits, prudential reviews, and governance disclosures are designed to provide independent assurance and early warning signals. Yet interviewees noted that even these mechanisms can be weakened when regulators are reluctant to act decisively on adverse findings. A retired bank director observed:

"Auditors and supervisors do raise red flags, but the real question is what happens next. If enforcement is slow or compromised, those warnings lose their power. People begin to assume that issues can be managed informally rather than corrected formally" (INT46).

Documentary evidence from post-crisis regulatory reviews supports this view, showing that prolonged regulatory forbearance allowed governance weaknesses to accumulate in several failed banks prior to the sector clean-up. These failures were not due to an absence of oversight mechanisms, but to delayed intervention and tolerance of repeated breaches.

Overall, this section demonstrates that regulatory oversight in Ghana operates within a structural contradiction. On the one hand, the Bank of Ghana possesses strong formal authority and an increasingly sophisticated regulatory toolkit. On the other hand, enforcement is embedded in a neo-patrimonial environment where informal networks, political considerations, and personalised relationships shape how rules are applied. Regulatory oversight therefore constrains governance failures imperfectly, often reinforcing formal compliance while leaving deeper accountability deficits intact.

This analysis sets the stage for the next subsection, 6.4.2 Formal Structures and Informal Networks, which examines more directly how informal power relations intersect with regulatory institutions themselves. By moving from formal oversight mechanisms to the informal networks that mediate them, the chapter deepens understanding of why external governance reforms in Ghanaian banking produce uneven and fragile outcomes.

6.4.2 Formal Structures and Informal Networks

The external governance architecture of Ghana's banking sector is formally anchored in an extensive set of legal and regulatory instruments that emphasise independence, competence, and accountability. Central to this architecture are audit and risk committees, which the *Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930)* and the *Bank of Ghana Corporate Governance Directive (2018, revised 2020)* require all banks to establish. These committees are intended to function as independent oversight bodies, composed of directors with the technical expertise necessary to scrutinise financial reporting, internal controls, and risk management systems. From a regulatory perspective, these requirements reflect an explicit attempt to strengthen internal governance through externally enforced standards. As a senior regulatory official explained:

"Audit and risk committees are designed to act as internal checks on both management and the board. They are expected to provide unbiased scrutiny of financial reporting and risk exposure. Without genuine independence and technical competence, these committees cannot fulfil their stabilising role within the banking system" (INT45).

Documentary evidence reinforces this regulatory logic, with Bank of Ghana governance directives repeatedly emphasising independence, professional competence, and separation from executive influence as prerequisites for effective committee functioning. However, interview data consistently reveal that the practical operation of these formal structures is deeply shaped by informal networks that mediate how rules are interpreted, applied, and enforced.

In practice, the composition and functioning of audit and risk committees often diverge from their formal design due to the influence of neo-patrimonial logics. Informal power structures rooted in political affiliation, personal loyalty, ethnic ties, and business alliances frequently override merit-based appointment processes. As a result, while banks may demonstrate formal compliance with regulatory requirements, substantive independence is often compromised. A banking consultant with extensive board advisory experience described this divergence:

"On paper, banks comply with all the regulatory requirements on committee composition. But behind the scenes, appointments are often negotiated informally. The real criterion becomes trust and loyalty to powerful actors, not whether the individual has the competence to challenge management" (INT28).

This pattern is not limited to appointments alone but extends to how committee members behave once in office. A non-executive director reflected on the constraints imposed by such informal arrangements:

"Once you know how you got there, you also know your limits. If your appointment came through a political or personal connection, it becomes very difficult to ask hard questions or push back against decisions that might upset those networks" (INT36).

These accounts illustrate how regulatory oversight is subtly reshaped through negotiated compliance, where formal structures exist but are hollowed out by informal mediation.

Political networks play a particularly significant role in this process. Politically exposed individuals or their associates often seek representation on audit and risk committees to protect interests linked to lending decisions, regulatory scrutiny, or reputational risk. Such influence rarely takes the form of explicit instructions; rather, it operates through informal lobbying and tacit expectations. An executive director explained how this occurs in practice:

"You may not receive a direct instruction, but the message is understood. Someone calls, someone recommends, and suddenly a name appears on the committee list. Everyone knows the person is there to protect certain interests, so oversight becomes cautious rather than robust" (INT21).

From the supervisory side, a former regulator confirmed that these dynamics frequently translate into negotiated enforcement rather than strict regulatory action:

"When politically connected individuals are involved, banks often negotiate compliance rather than strictly enforce it. Committees exist, reports are submitted, but enforcement becomes a matter of discussion rather than sanction" (INT47).

Alongside political influence, ethnic and familial networks further shape committee composition and behaviour. In Ghana's socio-cultural context, shared identity can generate powerful obligations that influence governance decisions, even when these obligations conflict with formal rules. A non-executive director serving on an audit committee noted:

"There is pressure to include people from certain backgrounds or families. It is framed as inclusion, but the reality is that it limits diversity of thought. People are reluctant to challenge one another because social and family ties run much deeper than formal committee rules" (INT41).

Another board member reinforced this observation by highlighting the governance consequences of such arrangements:

"Once committees are shaped by ethnic or family considerations, accountability weakens. People become careful not to offend, and difficult issues are either softened or avoided altogether" (INT39).

Business networks also exert significant influence, particularly where powerful commercial actors have lending relationships or strategic interests in banks. Through informal pressure on board members or political intermediaries, such actors may secure representation or influence over committee decisions. A former risk director described this dynamic:

"Business alliances play a big role. If someone has strong commercial ties to the bank or to board members, they can influence who sits on committees. Once that happens, risk oversight becomes compromised because protecting business relationships takes priority" (INT23).

Similarly, a retired bank director reflected on the implications for prudential oversight:

"*Committees are supposed to challenge management and question risky exposures. But when members are linked to major borrowers or business partners, that challenge disappears. Risk is managed politically, not prudentially"* (INT46).

These findings demonstrate that formal regulatory structures do not operate in isolation. Instead, they are embedded within dense informal networks that mediate appointments, enforcement, and decision-making. Audit and risk committees may satisfy formal regulatory requirements, yet their capacity to provide effective oversight is constrained by neo-patrimonial relationships that prioritise loyalty, reciprocity, and private interests over institutional accountability. Consequently, external governance mechanisms, rather than fully correcting internal weaknesses, are themselves shaped by informal power relations that limit their effectiveness. This helps explain why governance failures in Ghana's banking sector have persisted despite increasingly sophisticated regulatory reforms and provides a critical foundation for the chapter's broader analysis of neopatrimonialism and banking stability.

6.5 **Informal Practices**

xxxDespite the growing sophistication of formal corporate governance frameworks in Ghana's banking sector, empirical evidence from this study demonstrates that informal practices continue to constitute the dominant arena through which power is exercised and decisions are ultimately determined. Governance thus operates through a layered and hierarchical dual system, in which formal structures provide legality, legitimacy, and regulatory visibility, while informal mechanisms shape strategic direction, enforcement, and outcomes in practice.

This configuration is consistent with recent empirical research on governance in Sub-Saharan Africa, which shows that formal institutional strengthening frequently coexists with deeply entrenched informal institutions that regulate behaviour through personalised authority, reciprocity, and political alignment (Helmke and Levitsky, 2012; Isser *et al.*, 2024). In such contexts, governance reforms often alter the *form* of compliance without transforming the *logic* through which decisions are made.

Interview data from this study strongly substantiate this claim. Respondents across board governance, executive management, and control functions repeatedly described formal governance processes as procedurally indispensable but substantively secondary. While board meetings, committee reviews, and reporting processes are routinely conducted, their primary function is often perceived as legitimising outcomes that have already been shaped informally. A board secretary of a commercial bank explained:

“The formal processes are important because they protect the bank externally. But internally, everyone understands that the most important decisions are shaped long before they reach the boardroom.” (INT 10)

This ritualisation of governance produces what several respondents characterised as managed compliance, whereby adherence to governance rules is carefully demonstrated without meaningfully constraining informal influence. A retired bank director and former board member elaborated:

“You can comply perfectly on paper and still have very weak governance in reality. The rules are followed, but the real influence lies elsewhere.” (INT 46)

The displacement of decision-making into informal arenas has profound implications for accountability. When influence is exercised through private discussions, relational negotiations, and discretionary interventions, formal accountability mechanisms struggle to capture who actually shapes outcomes. This concern was particularly emphasised by those responsible for assurance and oversight. A former bank auditor highlighted this challenge:

“*From an audit perspective, everything appears in order. The problem is that the decisive conversations never appear in the records, so accountability becomes almost impossible.”* (INT 8)

Additional interviews reveal that this pattern is not confined to boards alone but extends into executive and operational governance. A bank executive director described how informal influence permeates strategic decision-making at senior management level:

"Even at management level, you quickly learn that some decisions require informal clearance. If you ignore that reality, your proposal will not move forward, no matter how strong the analysis is." (INT 11)

Recent empirical literature supports these observations, showing that informal institutions often exert greater influence over behaviour than formal rules, particularly where enforcement capacity is uneven or politically constrained (Isser *et al.*, 2024). In Ghana, this dynamic is intensified by the embeddedness of banks within wider political and social networks, which blur the boundary between organisational governance and external influence (Atugeba and Acquah-Sam, 2025).

Informal practices are also widely normalised within the sector. Rather than being perceived as governance failures, they are often framed as pragmatic tools for managing uncertainty, political risk, and regulatory discretion. A risk director of a commercial bank articulated this logic:

"Operating strictly by the book can actually expose the bank to risk. Informal relationships are how you navigate uncertainty, especially when politics intersects with regulation." (INT 23)

This normalisation reinforces selective resistance to transparency. Transparency threatens to expose informal influence and redistribute responsibility in ways that destabilise existing power arrangements. An audit committee member noted:

"Everyone agrees with transparency in theory. But when it starts revealing who really influences decisions, support for it quickly disappears." (INT17)

A banking consultant with extensive advisory experience also observed:

"*There is a tacit understanding across the sector that too much transparency can be disruptive. It exposes informal compromises that everyone quietly depends on."* (INT 26)

A former senior regulator echoed this concern, highlighting the structural difficulty of enforcing formal rules in such an environment:

"We can issue directives and guidelines, but enforcement is constrained when the same informal networks link banks, politicians, and regulators. The rules exist, but power does not always follow them." (INT 47)

These accounts demonstrate that informal practices function as parallel governance infrastructures rather than marginal deviations from formal systems. They shape who gains access to authority, whose voices carry weight in decision-making, and where accountability ultimately lies. Importantly, these practices are not external to formal governance structures; they are interwoven with them, drawing legitimacy from formal roles while exercising power informally. This hybrid governance order helps explain why successive regulatory reforms have struggled to produce sustained improvements in governance quality despite increasingly robust formal frameworks (Ekanayake et al., 2025; Kimani *et al.*, 2021).

Within this study, two informal practices emerge as particularly consequential: **political patronage** and **informal power networks**. Political patronage structures appointments, loyalty, and access to resources, while informal power networks operate as the channels through which decisive influence is exercised and regulatory intent is negotiated. Together, they constitute the operational core of neo-patrimonial governance in Ghana's banking sector, shaping incentives, strategic choices, and enforcement outcomes in ways that formal rules alone are unable to constrain (Helmke and Levitsky, 2012; Atugeba and Acquah-Sam, 2025).

The next subsections therefore examine these practices in detail, beginning with **political patronage (Section 6.5.1)** and followed by **informal power networks (Section 6.5.2)**.

6.5.1 Informal Networks

Informal networks constitute a core infrastructural feature of neopatrimonial governance. They comprise dense relational connections often grounded in personal trust, political alliances, kinship ties, professional loyalties, and shared histories that operate as parallel channels of influence alongside formal governance arrangements. In Ghana's banking sector, these networks do not simply sit outside institutions; rather, they cut through and repurpose formal structures, shaping how rules are interpreted, when they are enforced, and whose interests are prioritised. This observation is consistent with extensive empirical research on African political economy, which demonstrates that formal institutions frequently coexist with powerful informal institutions that structure behaviour and decision-making in practice (Bratton and van de Walle, 1997; Erdmann and Engel, 2007; Booth and Golooba-Mutebi, 2012).

A defining challenge posed by informal networks is their low visibility and weak documentary footprint, which fundamentally constrains effective governance and oversight. Decision making frequently occurs through private interactions, informal consultations, and relational negotiations that leave little or no formal trace. As a result, conventional governance artefacts such as board minutes, committee reports, compliance filings, and audit trails often record outcomes rather than processes, creating a gap between what is documented and how decisions are actually reached. A former Bank of Ghana regulator described this enforcement dilemma in stark terms:

"We can establish the most stringent rules, but their effectiveness depends on our ability to enforce them. The real challenge lies in the invisible networks of influence that operate behind the scenes, where decisions are often made without any formal documentation." (INT47)

This invisibility was also evident in internal governance documentation reviewed for this study. Board papers and committee minutes from several banks examined during the 2022–2023 period consistently reflected formal approval processes, yet offered little insight into the prior negotiations that shaped those decisions. A board secretary confirmed that documentation often follows, rather than informs, decision making:

"By the time issues come to the board, the direction is sometimes already decided informally. The papers then become a way of making it look procedurally complete." (INT10)

A non executive director further explained that the authority of formal committees is frequently conditional on alignment with informal expectations rather than their formal mandates:

"You can do all the analysis and follow the committee process properly, but if it clashes with what the network wants, it will be adjusted quietly until it fits." (INT34)

Documentary analysis of governance disclosures submitted to the Bank of Ghana reinforces this pattern. While banks formally complied with requirements relating to committee structures, meeting frequency, and reporting lines, there was limited evidence within these disclosures of challenge, dissent, or alternative proposals being recorded. This absence suggests not necessarily consensus, but rather that substantive contestation occurs outside documented forums. An executive director acknowledged this disjunction:

"The documents always look clean. That is intentional. The difficult conversations are kept off the record because once something is written down, it becomes a liability." (INT38)

These interview data and documentary review indicate that informal networks systematically shape governance processes while remaining largely invisible within formal records. This invisibility not only weakens accountability but also allows informal influence to persist without direct regulatory challenge, as enforcement mechanisms remain tied to documentation that captures form rather than substance.

6.5.2 Informal power networks

While informal networks describe the relational fabric through which influence circulates, informal power networks refer more specifically to structured constellations of actors who consistently exercise decisive authority outside formal governance arrangements. These networks are not ad hoc or episodic; they are relatively stable, hierarchically organised, and strategically positioned to influence outcomes across boards, senior management, and regulatory interfaces. In Ghana's banking sector, informal power networks operate as shadow governance systems, frequently determining outcomes before formal processes are initiated and constraining what can be decided within official forums.

A first defining characteristic of informal power networks is their role as pre-decision arenas. Strategic decisions are often shaped within small, exclusive circles before they enter formal governance channels, effectively narrowing the scope of deliberation available to boards and committees. An executive director described this sequencing clearly:

"Most strategic decisions are already framed before they reach the board. By the time they appear formally, the space for real debate is extremely limited." (INT33)

A non executive director corroborated this dynamic, emphasising that formal meetings often serve to legitimise outcomes rather than determine them:

"Board discussions tend to revolve around how to implement a decision, not whether it should be taken. The 'whether' is usually settled elsewhere." (INT37)

This pattern significantly weakens collective governance, as boards are denied the opportunity to shape strategy independently. Instead, their role becomes reactive, reinforcing the authority of informal power holders rather than exercising oversight.

A second key feature of informal power networks is their capacity to override formal hierarchies and committee structures. Although banks maintain audit committees, risk committees, and executive management frameworks, these bodies often operate within boundaries implicitly set by informal power centres. A risk director explained how technical assessments can be sidelined:

"Risk assessments are taken seriously until they conflict with what powerful actors want. At that point, the discussion shifts from risk to 'how we can make it work'." (INT23)

Similarly, an audit committee member noted that committee independence is frequently compromised in practice:

"You are reminded, subtly, that certain matters are sensitive. That usually means they are not really up for scrutiny, regardless of what the committee's mandate says." (INT17)

These accounts illustrate how informal power networks hollow out formal governance mechanisms from within, preserving their appearance while limiting their authority.

A third dimension concerns the concentration of power among a small group of recurring **actors**. Informal power networks tend to be dominated by individuals who occupy multiple strategic positions across political, financial, and social spheres. Their influence derives not from formal titles alone, but from their embeddedness within overlapping networks of patronage and obligation. A retired bank director reflected on this concentration:

"There are a few names that keep coming up across institutions. Once you see those names involved, you already know the direction things will take." (INT46)

A banking consultant similarly observed that these individuals function as gatekeepers across institutions:

"They don't need to be involved in daily operations. Their influence lies in opening doors or closing them, and everyone adjusts accordingly." (INT29)

This concentration of influence undermines institutional resilience by tying governance outcomes to individuals rather than processes, making banks vulnerable to personal interests, political shifts, and network dynamics.

A fourth defining feature of informal power networks is their role in shaping accountability and sanctioning behaviour. Rather than relying on formal disciplinary mechanisms, these networks enforce compliance through informal rewards and penalties, including access to opportunities, protection from scrutiny, or exclusion from key decision spaces. An associate executive director described this informal discipline:

"If you consistently challenge powerful interests, you stop being invited to important discussions. That is how conformity is enforced." (INT25)

An independent director echoed this point, highlighting the personal costs of dissent:

"There are no formal consequences for pushing back, but the informal ones are real. You become isolated, and your influence disappears." (INT19)

Such dynamics discourage critical engagement and reinforce compliance with informal expectations, even among formally independent actors.

A fifth and closely related characteristic is the interaction between informal power networks and regulatory processes. Rather than confronting regulation directly, these networks often seek to manage it through negotiation, delay, or selective engagement. A former regulator described how regulatory intent can be diluted:

"In many cases, enforcement becomes a negotiation. The rules are clear, but how they are applied depends on who is involved." (INT31)

From the banking side, an executive director acknowledged that regulatory outcomes are often anticipated and managed through informal channels:

"Before a regulatory issue escalates, someone usually intervenes informally to contain it. That is how problems are kept from becoming crises." (INT40)

This interaction blurs the boundary between supervision and influence, reducing the deterrent effect of regulation and allowing governance weaknesses to persist without formal sanction.

From the above, the evidence shows that informal power networks function as parallel centres of authority that shape strategic direction, constrain formal governance, and mediate regulatory outcomes. They do so by pre-framing decisions, overriding committees, concentrating influence, enforcing conformity, and managing oversight through informal means. Crucially, these networks do not eliminate formal governance structures; they coexist with and dominate them, ensuring that compliance is maintained in appearance while substantive power remains concentrated elsewhere.

This analysis underscores why strengthening formal governance rules alone is unlikely to produce meaningful change unless the underlying informal power networks that structure authority and accountability within Ghana's banking sector are also confronted. The following summary section draws together how informal practices, informal networks, and informal power structures collectively shape governance outcomes in the sector.

6.6 Summary

This chapter has examined the relationship between formal corporate governance frameworks and neo-patrimonial influences in Ghana's banking sector, focusing on the operation of bank boards, audit and risk committees, and executive compensation arrangements. Although the sector is governed by increasingly detailed regulatory directives and governance codes, the analysis demonstrates that these formal mechanisms are frequently reconfigured and constrained by informal practices and power relations, which ultimately shape governance outcomes in practice.

The chapter shows that the composition and functioning of bank boards are deeply embedded within neo-patrimonial dynamics. Rather than operating primarily as independent, merit-based oversight bodies, many boards reflect the dominance of political patronage, ethnic and familial affiliations, and the entrenched "Big Man" culture. Board expansion is often used strategically to accommodate competing factions and influential interests, thereby diluting individual responsibility and weakening collective accountability. Despite clear regulatory guidance from the Bank of Ghana, appointment processes regularly privilege loyalty, political alignment, and network affiliation over competence, expertise, and independence. This divergence between formal regulatory intent and actual practice substantially undermines boards' capacity to challenge executive authority, exercise strategic oversight, and protect institutional stability.

The analysis further demonstrates that audit and risk committees, despite their central role in safeguarding financial integrity and managing risk, are similarly compromised. Although formally constituted as independent oversight mechanisms, these committees are frequently embedded within the same informal power networks that dominate board structures. Patronage-driven appointments and informal obligations constrain committee members' willingness and ability to question decisions, escalate concerns, or resist pressure from powerful actors. Consequently, audit and risk committees often function in a largely symbolic capacity, reinforcing the appearance of compliance while failing to provide effective oversight or to prevent governance failures.

In addition, the chapter highlights how executive compensation structures embody the broader tension between formal governance rules and neo-patrimonial practices. Remuneration frameworks designed to link pay to performance and long-term institutional objectives are frequently manipulated to reward loyalty, secure alliances, and sustain informal networks of influence. In this context, compensation operates less as a mechanism of accountability and more as an instrument of patronage, further weakening formal governance arrangements and entrenching personalised power relations within banks.

Taken together, the findings demonstrate that neo-patrimonialism operates at the core rather than the periphery of bank governance in Ghana. Informal networks, personalised authority, and informal power structures systematically reshape how formal governance mechanisms function, producing a hybrid governance order in which compliance is often performative and accountability fragmented. The chapter therefore concludes that efforts to improve governance outcomes in Ghana's banking sector cannot rely on formal regulatory reform alone. Without addressing the underlying informal power relations that subvert and repurpose formal rules, such reforms are unlikely to translate into substantive improvements in accountability, oversight, or institutional stability.

CHAPTER SEVEN: FORMAL RULES, INFORMAL POWER: NAVIGATING NEOPATRIMONIAL GOVERNANCE IN GHANAIAN BANKING

7.1 Introduction

Chapters 5 and 6 showed that governance failures and banking instability in Ghana cannot be explained by formal institutional arrangements alone. The empirical findings demonstrated how neopatrimonial dynamics, expressed through political patronage, elite networks, and regulatory forbearance, shape corporate governance practices and stability outcomes in the banking sector. While these chapters highlighted the damaging consequences of such dynamics, a deeper interpretive reading of the data also revealed a more complex reality in which neopatrimonialism can, under certain conditions, function as an adaptive response within contexts of institutional fragility. This chapter builds on that insight by moving from empirical analysis to theoretical synthesis.

The purpose of this chapter is to integrate the empirical findings with the theoretical debates developed throughout the thesis in order to deepen understanding of the relationship between neopatrimonialism, corporate governance, and banking stability in Ghana. Drawing on the interpretive approach outlined in Section 4.2.2, the chapter examines how formal governance structures coexist with, and are reshaped by, informal socio-political networks. Rather than treating these informal dynamics as peripheral, the analysis foregrounds their central role in shaping incentives, accountability, and risk within the banking system.

A central contribution of the chapter is its challenge to conventional portrayals of neopatrimonialism as uniformly anti-developmental. The discussion advances a more nuanced conceptualisation that recognises the duality of neopatrimonialism as both a constraint on effective governance and a mechanism that can, in specific circumstances, facilitate coordination and crisis response. This duality is not presented as a justification for weak governance, but as an empirically grounded recognition of how governance operates in practice within Ghana’s banking sector.

By situating these findings within the broader literature on corporate governance and financial regulation in developing economies, the chapter argues for a hybrid and context-sensitive approach to reform. While global governance standards remain important benchmarks, their effectiveness depends on how they are adapted to local socio-political realities. Engaging with informal power structures and elite incentives is therefore essential for designing reforms that enhance banking stability.

The chapter is organised as follows. Section 7.2 revisits the theoretical foundations of neopatrimonialism and their relevance to banking governance. Section 7.3 examines its dual developmental and anti-developmental dimensions. Section 7.4 links theory to the empirical findings, while Section 7.5 analyses the implications for banking stability. Section 7.6 critiques the limitations of the neopatrimonialism framework, and Section 7.7 outlines context-sensitive reform strategies. Section 7.8 concludes the chapter.

7.2 Neopatrimonialism and Its Relevance to Corporate Governance in Ghanaian Banks

Building on the foundational work of Bratton and van de Walle (1997) and Erdmann and Engel (2007), neopatrimonialism is traditionally understood as a system in which rational legal bureaucratic structures formally exist but are substantively penetrated by informal patron client networks. This study extends that conceptualisation by demonstrating that, within Ghanaian banking, neopatrimonialism functions not merely as a background condition or institutional distortion, but as an embedded governance logic that actively shapes corporate decision making, regulatory outcomes, and reform trajectories. Rather than a simple coexistence of formal and informal systems, the findings reveal a deeply intertwined configuration in which formal corporate governance mechanisms are selectively activated, constrained, or neutralised through personalised political and social relationships.

The empirical evidence presented in Chapters 5 and 6 shows that corporate governance practices in Ghanaian banks are consistently mediated by informal power relations that influence board composition, executive accountability, and strategic decision making. Board appointments, while formally regulated, are frequently shaped by political affiliation, ethnic identity, and elite social standing. This undermines the assumption, central to agency theory, that boards operate as autonomous monitoring bodies acting in the interests of shareholders or the institution itself. Instead, directors often owe allegiance to external political or social sponsors, producing divided loyalties that weaken oversight and dilute accountability. In this context, formal independence becomes largely symbolic, confirming critiques that Western corporate governance models rely on institutional assumptions that do not hold in neopatrimonial environments (Kimani et al., 2021).

The findings further demonstrate that cultural norms relating to hierarchy, respect for authority, and reciprocity reinforce these dynamics. Decision making within boards is frequently shaped by deference to politically influential actors, limiting constructive challenge and discouraging dissent. While such norms can promote cohesion and relational trust, they simultaneously constrain the effectiveness of formal governance safeguards. This interaction between cultural expectations and political patronage extends existing literature by showing how governance weaknesses emerge not only from political interference, but from socially embedded norms that shape behaviour within formal institutions.

Regulatory governance emerges as another domain where neopatrimonialism exerts a decisive influence. Although the Bank of Ghana is legally mandated to operate as an independent regulator, the study finds that regulatory enforcement has historically been uneven, particularly in relation to politically connected banks. Rather than reflecting only technical capacity constraints, regulatory forbearance is shown to be deeply political. Regulators operate within the same social and political networks as the institutions they supervise, creating incentives for selective enforcement and delayed intervention. This supports Lassou and Hopper's (2016) argument that regulatory frameworks in developing economies often function as symbolic structures of legitimacy, while extending it by demonstrating how political embeddedness shapes regulatory discretion in practice.

The banking sector crisis between 2017 and 2019 provides a critical empirical anchor for this analysis. Several banks continued operating despite persistent breaches of capital adequacy and governance requirements, shielded by political connections that delayed regulatory action. This selective enforcement generated moral hazard, encouraging excessive risk taking, insider lending, and weak internal controls. The crisis therefore illustrates how neopatrimonial governance does not merely weaken individual institutions, but generates systemic fragility over time. This finding challenges conventional regulatory theories that assume rule based enforcement insulated from political influence, and underscores the importance of political economy perspectives in understanding financial stability outcomes.

The study also offers a nuanced contribution to debates on the role of international governance frameworks such as Basel standards and International Financial Reporting Standards in neopatrimonial contexts. Rather than treating these frameworks as either irrelevant or transformative, the findings suggest that they operate as disciplinary reference points whose effectiveness is mediated by domestic political dynamics. Basel and IFRS introduced clearer benchmarks for capital adequacy, risk management, and disclosure in Ghanaian banking, yet compliance was often procedural rather than substantive. Adoption was frequently driven by external pressure from international financial institutions rather than internalised governance commitments.

Importantly, the banking crisis revealed that the presence of global standards did not prevent systemic failure. This does not imply that such frameworks are redundant, but rather that their capacity to enhance governance is contingent on domestic enforcement incentives and political alignment. In neopatrimonial systems, global standards are selectively implemented and adapted in ways that reflect existing power relations. This finding extends the discussion in Chapters 2 and 3 by showing that governance reform through technical transplantation alone is insufficient, and that global frameworks must be understood as operating within, rather than above, local political economies (Andrews, 2013).

Corruption and insider lending emerge in this study not as isolated governance failures, but as systemic outcomes of neopatrimonial arrangements. Politically connected individuals frequently accessed credit without adequate due diligence, contributing to high levels of non performing loans and balance sheet fragility. This aligns with Cieslewicz's (2014) argument that neopatrimonial systems protect elite actors from accountability. However, the findings also demonstrate that corruption persists not solely because of informal networks, but because of weak enforcement mechanisms and limited professional sanctions. This distinction is analytically important, as it highlights the potential for reform interventions that strengthen institutional accountability even within politically embedded systems.

Auditing practices further illustrate this tension. Although audit committees and external audit requirements are formally in place, their independence is often compromised by commercial and political pressures. Yet variation across institutions suggests that neopatrimonialism does not produce uniform outcomes. Some banks exhibited stronger professional norms and greater resistance to interference, indicating that organisational culture and leadership matter. This challenges overly deterministic interpretations of neopatrimonialism and highlights the importance of agency within constrained institutional environments.

A central theoretical contribution of this study lies in its challenge to the tendency within neopatrimonial literature to understate the role of reformist actors. While neopatrimonialism explains persistent governance weaknesses, it does not fully account for moments of institutional assertiveness and change. The Bank of Ghana's post crisis interventions demonstrate that regulatory institutions can exercise autonomy under specific conditions. Licence revocations, recapitalisation requirements, and enhanced supervisory enforcement reflected a temporary realignment of political incentives in favour of stricter governance. This supports Mkandawire's (2015) argument that state capacity in Africa is uneven rather than uniformly weak, and that reform is possible when political and institutional conditions align.

The findings therefore suggest that neopatrimonialism should be conceptualised as a mutable governance configuration rather than a fixed constraint. Informal networks did not disappear following the crisis, but their influence was recalibrated through regulatory action. This points to a dynamic interaction between formal rules, informal relationships, global standards, and reformist agency. Rather than treating formal and informal systems as oppositional, the evidence shows that they are interdependent and continuously negotiated.

Synthesising these insights, this study advances an integrated conceptual framework that understands corporate governance in Ghanaian banks as a hybrid system shaped by four interacting forces: formal institutional rules, informal patronage networks, international governance benchmarks, and reformist agency. Neopatrimonialism remains central, but it operates alongside countervailing pressures that can either reinforce or constrain its effects. Informal networks can facilitate coordination and crisis response, particularly where formal capacity is limited, yet they also enable capture and abuse in the absence of accountability. Governance outcomes therefore depend not on the presence or absence of neopatrimonialism, but on how it is mediated through institutional design, enforcement incentives, and leadership.

The policy implications are significant. Governance reform in Ghanaian banking cannot rely solely on technical fixes or international best practices. Strengthening regulatory independence, professional norms, and transparency is essential, but such reforms must also engage with the informal incentive structures that shape behaviour. Rather than attempting to eliminate neopatrimonialism, which is neither realistic nor analytically coherent, reform efforts should focus on rebalancing its effects through credible enforcement, merit based appointments, and sustained institutional learning.

Thus, neopatrimonialism provides a powerful lens for interpreting corporate governance outcomes in Ghanaian banks, but only when applied in an empirically grounded and non deterministic manner. This study extends existing literature by demonstrating how neopatrimonial dynamics actively shape governance practices, regulatory enforcement, and reform trajectories, while also identifying spaces of agency and transformation. In doing so, it contributes to broader debates on corporate governance in developing economies and sets the foundation for the subsequent analysis of neopatrimonialism's dual developmental and anti developmental dimensions.

7.3 The Duality of Neopatrimonialism: Developmental and Anti-Developmental Dimensions

Based on its findings, analyses and interpretations, this work posits that – unlike most conventional standard understandings that tend to deliver only a monoview of neopatrimonialism as a largely negative effect on development – neopatrimonialism represents a dualistic framework that can simultaneously hinder but also enable development. This inherent duality is critical for understanding the governance dynamics within Ghanaian banks, where formal institutions operate alongside informal networks of patronage and clientelism. The coexistence of these systems results in complex and often contradictory outcomes, influencing both the stability and efficiency of banking governance. While neopatrimonialism is frequently criticised for fostering corruption, inefficiencies, and systemic vulnerabilities, via the different perspective proposed here it also has the potential to play a developmental role, particularly in contexts characterized by weak institutional frameworks. This discussion explores such dual dimensions of neopatrimonialism, situating them within the broader context of corporate governance in Ghanaian banks and highlighting their implications for governance reform and banking stability.

Interview evidence indicates that governance in Ghanaian banks operates through a continuous interaction between formal regulatory arrangements and informal political and relational networks. While governance codes, supervisory frameworks and board structures formally mirror international best practices, their operation is frequently mediated by personal relationships and political considerations. One senior regulator explained:

"The rules are there, but they don't operate automatically. How they are applied depends very much on the political and personal context at the time" (INT 19).

This observation was reinforced by another regulatory official, who noted:

"You can have the strongest regulation on paper, but enforcement is always shaped by who is involved and what is at stake politically" (INT 11).

A senior bank executive similarly remarked:

"Governance here is not about whether structures exist, but about how far they are allowed to function in practice" (INT 31).

These accounts reflect what Ekanayake et al. (2025) conceptualise as subverted corporate governance, where formal systems are not absent but are selectively interpreted or overridden to accommodate informal interests. In banking, this subversion is particularly consequential because of the sector's opacity and the difficulty external stakeholders face in assessing risk (Levine, 2004).

At the same time, interview data suggest that informal networks occasionally performed developmental functions, particularly during periods of systemic stress. In the lead-up to the 2017–2019 banking sector clean-up, relational ties between regulators, political authorities and bank executives facilitated rapid coordination that would have been difficult to achieve through formal bureaucratic channels alone. One senior executive reflected:

"During the crisis, things moved because people trusted each other personally, not because the rules suddenly became stronger" (INT 15).

Another interviewee added:

"If we had followed procedure strictly, some banks would have collapsed overnight before any resolution plan could be agreed" (INT 21).

These findings resonate with arguments that, in contexts of limited state capacity, informal authority can temporarily compensate for weaknesses in formal governance (Kelsall, 2011). In banking, where delays can trigger contagion and systemic instability, such informal coordination may mitigate immediate risks to depositors and the wider economy (John et al., 2016).

However, these developmental effects were described as situational and fragile, rather than institutionalised. One regulator cautioned:

"Those informal channels only work when the right people are in place. Once that changes, everything becomes uncertain again" (INT 38).

This confirms that neopatrimonialism's enabling role is episodic and contingent, lacking the durability required for sustained governance effectiveness.

While neopatrimonialism occasionally enabled coordination, its anti-developmental effects were more pervasive and structurally embedded. Political interference in board appointments and executive recruitment was repeatedly identified as a central governance weakness. One interviewee observed:

"Board appointments are political first and professional second, regardless of what the code says" (INT 4).

Another explained:

"You don't seriously challenge the person who helped you get the position, even if governance principles say you should" (INT 24).

These dynamics closely parallel Kimani et al.'s (2021) findings from Kenya, where kinship, patronage and political loyalty undermine board independence despite formal nomination processes. They also reinforce Nakpodia and Adegbite's (2018) argument that elite dominance and informal power undermine the effectiveness of corporate governance reforms in African contexts. In the banking sector, such compromised boards exacerbate governance risks by weakening oversight over risk-taking and credit allocation (Hopt, 2013).

Insider lending and politically motivated credit decisions emerged as among the most damaging manifestations of neopatrimonial governance. One regulator noted:

"Everyone knew some of these loans would not be repaid, but stopping them would have meant confronting very powerful people" (INT 31).

A banking executive similarly remarked:

"Credit decisions were often influenced by political considerations rather than commercial logic" (INT 29).

These practices intensified conflicts between shareholders, debtholders and society, as identified by John et al. (2016). Politically motivated risk-taking transferred losses to depositors and, ultimately, the state, thereby amplifying the societal costs of governance failure.

Regulatory capture further entrenched these anti-developmental dynamics. While regulatory frameworks had strengthened over time, enforcement was widely perceived as selective. One regulator admitted:

“Some cases were technically clear, but enforcing them fully was politically difficult” (INT 19).

This perception was echoed by bank executives:

“Everyone knew that politically connected banks were treated more leniently” (INT 11).

Such selective enforcement reflects what Kimani et al. (2021) describe as the façade of regulation in neo-patrimonial contexts, where institutions exist largely to signal compliance while substantive discipline remains weak. Importantly, respondents emphasised that these outcomes reflected deliberate governance choices shaped by informal power relations rather than technical incapacity. This mirrors Ekanayake et al.’s (2025) findings on reciprocal obligations and the subversion of objectivity in bank governance, as well as Erdmann and Engel’s (2007) argument that neopatrimonial systems prioritise elite protection over institutional integrity.

The 2017–2019 banking crisis crystallised the cumulative consequences of these dynamics. Interviewees consistently framed the crisis as the outcome of prolonged tolerance of non-compliance rather than sudden external shocks. One respondent stated:

“This crisis was years in the making. Problems were known, but they were allowed to continue” (INT 21).

Another added:

“Weak banks survived for too long because political protection delayed decisive action” (INT 38).

This trajectory illustrates the asymmetry of neopatrimonial duality: while its developmental effects are short-lived and crisis-specific, its anti-developmental effects accumulate over time, generating systemic vulnerability. In banking, where failures have economy-wide repercussions, this asymmetry is particularly pronounced.

Theoretically, these findings challenge both monolithic critiques of neopatrimonialism as wholly destructive and overly optimistic accounts that emphasise its coordinating potential. Instead, consistent with Ekanayake et al. (2025), neopatrimonialism is best understood as a hybrid governance logic that subverts formal institutions while occasionally exploiting them to stabilise the system under duress.

Importantly, the distinctive characteristics of banks magnify this duality. High leverage, opaque risk and systemic importance mean that informal governance can temporarily prevent collapse, yet simultaneously deepen long-term fragility by weakening accountability and encouraging excessive risk-taking. This helps explain why mainstream governance mechanisms—such as board independence—often perform poorly in developing-country banking contexts, as documented in international studies (Erkens et al., 2012; Pathan and Faff, 2013).

This section demonstrates that neopatrimonialism in Ghanaian banking governance operates as a conditional and asymmetric duality. Its developmental role is limited to short-term coordination under crisis conditions, while its anti-developmental effects are structurally embedded, cumulative and ultimately destabilising. By situating interview evidence within both bank governance theory and neo-patrimonial scholarship, this study advances a nuanced understanding of how governance operates in high-risk, politically embedded financial systems.

Crucially, these findings suggest that governance reforms premised solely on formal mechanisms codes, independent boards or technical capacity building are unlikely to succeed unless they explicitly engage with the informal political and relational dynamics that shape decision-making in practice.

7.4 Linking Theoretical Insights to Empirical Findings: Manifestations of Neopatrimonial Networks in Ghanaian Bank Governance

This section draws together the conceptual arguments developed in Chapters 2 and 3 with the empirical findings presented in Chapters 5 and 6, with the aim of elevating the discussion from description to synthesis and theoretical reflection. Rather than rehearsing empirical detail, the focus is on how the findings illuminate, challenge, and extend existing debates on corporate governance and neopatrimonialism in developing economies, using Ghanaian banking as an analytically revealing case. In doing so, the section demonstrates that governance outcomes in Ghana cannot be adequately understood through formal institutional analysis alone, but must be interpreted through the interaction between imported governance frameworks and entrenched informal power relations.

To begin with, the empirical findings provide strong confirmation of the theoretical critique advanced in Chapters 2 and 3 regarding the limits of mainstream corporate governance theories in neopatrimonial contexts. Agency theory assumes that governance failures arise primarily from conflicts between principals and agents, and that these can be mitigated through formal mechanisms such as independent boards, incentive alignment, and effective monitoring (Jensen and Meckling, 1976; Eisenhardt, 1989). While these mechanisms are formally present in Ghanaian banks, the findings show that their practical operation is consistently mediated by informal political and social networks. As one executive director observed, *"On paper, the governance structures look very strong, but in reality, who you know often matters more than what the rules say"* (INT 21)

This reinforces the argument that agency problems in Ghana extend beyond managerial opportunism to include political capture of governance mechanisms themselves.

This point is further illustrated by interview evidence on board independence, a cornerstone of agency-based governance models. Several respondents emphasised that independence is frequently nominal rather than substantive. One independent director noted, *"When board members owe their positions to political figures, their primary allegiance is not to the bank but to the individuals who placed them there"* (INT 13)

Another executive director echoed this concern, stating that *"Merit has taken a back seat; political expediency dictates who sits at the table"* (INT 42)

These accounts empirically substantiate the critique advanced by Nakpodia and Adegbite (2018) that imported governance reforms in Africa often produce symbolic compliance while leaving underlying power relations intact. At the same time, they extend this literature by showing how such dynamics play out in the technically complex and heavily regulated sector like the banking sector, an area that has received comparatively limited attention.

Similarly, stakeholder theory's emphasis on banks' wider responsibilities to depositors, employees, and society is strongly supported by the empirical consequences of governance failure documented in Chapter 6. Interviewees repeatedly linked weak governance to systemic instability and public cost. A government official involved in the post-crisis bailout remarked, *"The cost to taxpayers has been enormous. This money could have been used for development projects, but instead it was necessary to clean up the mess caused by poor governance"* (INT 30)

A central bank official similarly warned that *"The interconnected nature of the sector means one failure can quickly spread, which is why governance failures become a national problem"* (INT 45)

These reflections lend empirical weight to stakeholder-oriented arguments in the banking literature (Laeven and Levine, 2009), yet they also expose the limitations of stakeholder theory in neopatrimonial settings. As one consultant observed, *"CSR reports and stakeholder language are useful for image, but they rarely change who actually has power"* (INT 26)

This supports critical perspectives suggesting that stakeholder practices in such contexts may function more as legitimacy-seeking devices than as genuine accountability mechanisms (Suchman, 1995).

Moving from mainstream theories to neopatrimonialism, the empirical findings offer particularly strong validation of the theoretical framework developed in Chapter 3. The study shows that neopatrimonialism is not an abstract or residual concept, but a lived governance reality within Ghanaian banks. Informal networks based on political affiliation, ethnicity, and personal loyalty repeatedly emerged in interviews as decisive influences on board appointments, lending decisions, and regulatory enforcement. As one banking consultant explained, *"There is an unwritten rulebook that sometimes trumps the official regulations, especially for institutions with strong political ties"* (INT 31)

Another regulator described enforcement as *"a political minefield"*, noting that *"you quickly learn which institutions are untouchable"* (INT 45)

These accounts closely mirror Erdmann and Engel's (2007) characterisation of neopatrimonial systems as ones in which formal rules coexist with, but are penetrated by, informal personalistic authority.

At the same time, the findings extend neopatrimonial theory by demonstrating its relevance at the organisational level within banks, rather than only at the level of the state. Much of the existing literature focuses on public administration or political institutions (Bratton and van de Walle, 1997; Van de Walle, 2001), whereas this study shows how neopatrimonial logics shape internal corporate governance processes. For example, compensation practices were repeatedly described as tools of patronage rather than performance incentives. One independent director noted, *"Compensation packages are often inflated not because of performance but because of the individual's connections"* (INT 48), while another consultant added that *"It's less about rewarding success and more about maintaining the status quo"* (INT 26)

These insights extend agency-based analyses of incentives by showing how remuneration can function as a mechanism for sustaining neopatrimonial networks.

Furthermore, the empirical evidence nuances overly deterministic views of neopatrimonialism as uniformly dysfunctional. While the dominant effect of informal networks in Ghanaian banking is clearly corrosive, the findings also indicate that formal reforms and international engagement have had partial effects. Several respondents acknowledged improvements in regulatory capacity following the 2017–2019 reforms. A Ministry of Finance official noted, *"Our collaboration with the IMF and World Bank has strengthened the framework and given regulators more tools"* (INT 32)

Similarly, an executive director described the Bank of Ghana as *"a crucial catalyst"* in stabilising the sector (INT 11)
However, these gains were consistently described as constrained by informal influence. As one independent director put it, *"Act 918 gave the Bank of Ghana power, but informal networks still shape how that power is used"* (INT 19)

This aligns with Mkandawire's (2015) argument that neopatrimonialism produces variable outcomes and interacts with formal institutions in complex ways, rather than simply negating them.

The persistence of a gap between formal reform and practical governance outcomes is one of the most significant contributions of this study to the literature. Chapters 2 and 5 documented Ghana's extensive adoption of international governance and regulatory standards, yet the empirical findings show that enforcement remains selective and discretionary. As one executive director succinctly stated, *"The rules are there, but enforcement depends on connections"* (INT 21)

A former regulator reinforced this view, observing that *"Each new law brings new committees, but beneath the surface the same networks continue to operate"* (INT 33)
These reflections strongly support institutionalist arguments that formal rules alone are insufficient to change behaviour when informal institutions remain dominant (North, 1990; Helmke and Levitsky, 2004).

At the same time, the findings challenge an implicit assumption in parts of the global governance literature that strengthening regulation necessarily improves accountability. In the Ghanaian case, enhanced regulatory discretion sometimes increased opportunities for political interference. As one banking consultant remarked, *"More rules can actually mean more room for discretion, and discretion is where politics enters"* (INT 24)

This insight contributes to broader political economy debates by highlighting how regulatory reform can unintentionally reinforce neopatrimonial practices if underlying power relations are left untouched (Andrews, 2013).

Taken together, the empirical evidence positions Ghanaian bank governance as a hybrid system in which formal corporate governance frameworks coexist with, and are frequently subordinated to, neopatrimonial networks. This hybridity helps explain why governance failures persist despite repeated reforms, and why crises recur even in the presence of apparently robust institutional designs. As one executive director reflected, *"It's like watching a play where the actors change costumes but keep to the same script"* (INT 33)

This metaphor captures the central theoretical contribution of the study: that governance reform in neopatrimonial contexts often alters form without transforming function.

Therefore, by linking empirical findings to theory, this study both supports and extends existing literature on corporate governance and neopatrimonialism. It confirms that mainstream governance theories retain analytical value but require significant contextual adaptation. It validates neopatrimonialism as a powerful explanatory lens while extending it into the domain of banking governance. Most importantly, it demonstrates that effective governance reform in developing economies cannot be reduced to technical design, but must grapple directly with informal power structures that shape how institutions actually work. In this sense, the Ghanaian banking sector provides not only a national case study, but also a broader contribution to comparative governance scholarship.

7.5 Critiquing the Limitations of the Neopatrimonialism Framework in Explaining Governance Outcomes

This section offers a critical and reflective engagement with neopatrimonialism as the dominant analytical framework informing this thesis. While the framework has been invaluable in uncovering how informal political and social networks penetrate formal banking governance structures in Ghana, the empirical findings also reveal important conceptual, explanatory, and methodological limitations. Rather than abandoning neopatrimonialism, this section argues for its refinement and strategic supplementation. In line with the purpose of Chapter 7, the discussion moves beyond explanation towards synthesis and theoretical positioning, using the Ghanaian banking case to interrogate what neopatrimonialism explains well, where it falls short, and how it might be extended to better account for governance outcomes and banking stability in complex developing economy contexts.

At a fundamental level, the findings of this study strongly support neopatrimonialism's central claim that formal governance institutions in developing economies often coexist with, and are reshaped by, informal systems of personalised authority, reciprocity, and elite dominance (Erdmann and Engel, 2007; Van de Walle, 2001). In Ghanaian banking, regulatory frameworks, governance codes, and board structures are formally aligned with international best practice, yet their application is routinely mediated through political connections and elite networks. Interview accounts consistently highlighted this disjuncture between formal design and lived practice. As one participant remarked, "You cannot understand the boardroom without understanding who sits behind the scenes" (INT 26). In this respect, neopatrimonialism provides a powerful corrective to purely legalistic or technocratic accounts of governance by foregrounding the informal logics that shape decision making.

However, precisely because of this explanatory power, neopatrimonialism also risks conceptual overreach. One of its central limitations lies in its tendency to frame informality as inherently pathological and neopatrimonialism as a deviation from rational legal governance that must be eliminated. Much of the literature implicitly treats informal governance practices as uniformly corrosive, reinforcing a form of normative pessimism (Mkandawire, 2015). The Ghanaian evidence complicates this view. While neopatrimonial practices clearly undermined long term banking stability through regulatory forbearance, insider lending, and selective tolerance of breaches, informal elite coordination also played an enabling role during moments of acute crisis. Several interviewees noted that informal negotiations were critical to stabilising the system during the banking sector clean up, when formal procedures alone would have been too slow to prevent contagion. This does not imply that informality is benign, but it does highlight a limitation of neopatrimonialism in accounting for variation in outcomes. Similar informal practices can generate both destabilising and stabilising effects depending on context, incentives, and the balance of power among elites.

Relatedly, neopatrimonialism struggles to explain why governance outcomes differ across time and reform cycles. The framework is often deployed as a contemporaneous descriptor of power relations, offering limited insight into why informal governance practices persist despite repeated reforms. The findings of this study point strongly to the importance of historicity and institutional path dependence. Governance arrangements in Ghanaian banking exhibit continuity across colonial legacies, post independence state building, liberalisation, and global regulatory convergence. Legal reforms have frequently altered surface structures while leaving underlying networks of influence intact. As one long serving executive observed, reforms tend to introduce “new committees and new reporting requirements”, yet “beneath the surface, the old networks continue to operate” (INT 33). Neopatrimonialism captures the logics of personalised authority that underpin this continuity, but it is less well equipped to explain why these logics remain resilient over time. Path dependent perspectives therefore provide a necessary complement by situating neopatrimonial practices within longer historical trajectories that shape contemporary governance possibilities.

A further limitation concerns the treatment of agency. Neopatrimonialism is often operationalised in ways that portray actors as structurally constrained within patron client networks, leaving little room for resistance or strategic choice. Yet the empirical findings of this study suggest a more nuanced reality. Regulators, executives, and board members were not simply passive bearers of neopatrimonial structures; they actively navigated, negotiated, and at times resisted informal pressures. Decisions to tolerate risk, delay enforcement, or selectively apply regulations were often calculated rather than inadvertent. As one former regulator noted, "You weigh the political risk, but sometimes the cost of inaction becomes higher" (INT 45). This highlights that banking instability is not merely the product of weak institutions, but also of deliberate strategic choices made within constrained political environments. Neopatrimonialism identifies the structure of power, but it tends to under theorise how actors exercise agency within that structure and how such agency shapes stability outcomes.

This emphasis on agency is reinforced by African corporate governance scholarship that foregrounds elite power and accountability practices. Studies such as Kimani et al. (2021) demonstrate how boards and executives may formally perform accountability through meetings, disclosures, and compliance rituals while neutralising their disciplining effects. Similarly, Nakpodia and Adegbite's work on corporate governance and elites shows how governance reforms can be appropriated by dominant coalitions and repurposed to protect elite interests rather than disrupt them. From this perspective, governance outcomes reflect strategic elite behaviour rather than simple institutional failure. In the Ghanaian banking sector, interviewees repeatedly implied that enforcement was uneven where political ties were strong, and that some institutions were effectively insulated from scrutiny. Such dynamics help explain why systemic vulnerabilities were tolerated over time, with stability treated as a negotiable cost when losses could be deferred or socialised.

Methodologically, neopatrimonialism also relies heavily on a binary distinction between formal and informal institutions. While analytically convenient, this dichotomy obscures the extent to which governance in Ghanaian banks is better understood as hybrid. Formal rules are rarely abandoned; instead, they are selectively interpreted, unevenly enforced, and strategically deployed through informal channels. Interviewees described the existence of an "unwritten rulebook" that operated alongside official regulations, particularly for well connected actors (INT 31). Others spoke of selective compliance as a routine feature of governance practice (INT 33). These accounts point to layered institutional arrangements in which formal and informal logics are deeply intertwined. Institutional hybridity perspectives therefore offer a more precise conceptualisation of governance in practice, capturing how reforms are absorbed into existing power structures rather than displacing them. This helps explain why repeated governance reforms in Ghana have produced incremental improvements without fundamentally transforming the political economy of banking stability.

Another limitation of neopatrimonialism lies in its relative silence on outcomes. While the framework is effective in explaining how informal networks penetrate governance processes, it often stops short of theorising their consequences for accountability and stability with sufficient specificity. The findings of this study suggest that instability emerges not only from opportunistic behaviour, but from the institutionalisation of conflicted decision making. Connected lending, discretionary write offs, delayed supervision, and politicised appointments were tolerated because they sustained reciprocal obligations within elite networks. This aligns with arguments that neopatrimonial governance normalises opaque conflicts of interest rather than producing classic principal agent problems. In such contexts, instability is less the result of ignorance or incapacity than of sustained tolerance for governance practices that privilege elite cohesion over systemic resilience.

Finally, neopatrimonialism's predominantly domestic orientation limits its explanatory reach in an era of financial globalisation. Ghanaian banks operate within transnational regulatory and reputational regimes that interact unevenly with domestic politics. International standards, external audits, correspondent banking relationships, and IMF conditionalities impose constraints that are often more binding for foreign owned or internationally exposed banks than for domestically embedded institutions. As one executive noted, "Political backing works locally, but it has limits when international partners are involved" (INT 32). Governance outcomes therefore emerge from the interaction between domestic informal power and global formal disciplines. Neopatrimonialism helps explain why global standards are selectively implemented; a global political economy perspective helps explain why those standards matter and where their disciplining effects are most pronounced.

Taken together, these limitations do not invalidate neopatrimonialism, but they underscore the need for theoretical pluralism and more careful specification of its claims. Used reflexively, neopatrimonialism remains indispensable for understanding why governance reforms often fail to deliver durable banking stability in developing economies. However, it is most analytically productive when combined with complementary perspectives that foreground agency, historicity, institutional hybridity, and global embeddedness. Political settlements theory helps explain when elites tolerate instability and when they prefer discipline. Institutional hybridity captures the co constitution of formal and informal rules. Elite oriented corporate governance scholarship clarifies how reforms are appropriated rather than resisted. Banking specific neopatrimonial work provides a refined vocabulary for analysing subversion, reciprocity, and political entrepreneurship.

Reflecting specifically on banking stability, the implications are clear. Treating neopatrimonial networks solely as obstacles encourages technocratic reform strategies that underestimate the political foundations of governance failure. Recognising the embeddedness of informal power, by contrast, opens space for more politically informed approaches that seek to realign incentives and strengthen credible enforcement. As one consultant succinctly observed, “You cannot reform banks without reforming relationships” (INT 28). At the same time, acknowledging the coordinating potential of informal networks must not slide into legitimising impunity or elite capture. The analytical and policy challenge is to distinguish between informal coordination that temporarily supports stability and informal protection that entrenches fragility. Conventional neopatrimonialism struggles to make this distinction. A refined, hybrid, and plural theoretical approach is therefore essential for explaining governance outcomes and banking stability in Ghana and comparable developing economies.

7.6 Implications of Neopatrimonial Dynamics for Banking Stability

This final substantive section of the discussion chapter moves beyond diagnosis to reflection. Drawing together the conceptual arguments developed in Chapters 2 and 3 and the empirical insights from Chapters 5 and 6, it reflects on what the findings imply for banking stability, governance reform, and theory-building in developing economies. The emphasis is deliberately placed on abstraction and synthesis rather than further empirical exposition. In doing so, the section positions neopatrimonialism not simply as a background condition, but as a central organising logic through which banking stability in Ghana is produced, undermined, and occasionally restored.

At a conceptual level, the findings reaffirm that banking stability cannot be treated as a purely technical outcome of prudential regulation, capital adequacy, or risk modelling. Instead, stability is deeply political and relational. The Ghanaian case illustrates that formal banking stability indicators coexist with informal governance dynamics that systematically shape how risks are generated, tolerated, and resolved. This supports a growing body of political economy scholarship which argues that financial stability in developing economies is inseparable from the nature of elite bargains, power distribution, and institutional credibility (Khan, 2010; Aikman et al., 2019).

Reflecting on the empirical findings, one of the most significant insights is that neopatrimonialism undermines banking stability less through outright institutional absence than through institutional distortion. Ghana does not lack banking laws, corporate governance codes, or regulatory agencies. On the contrary, as documented earlier, it has adopted many of the core elements of international best practice. However, these formal structures are persistently refracted through informal patron–client networks that redirect institutional purpose. As one senior regulator reflected, *"The system looks strong from the outside, but inside it bends depending on who is involved"* (INT 31). This observation captures a critical mechanism through which neopatrimonialism affects stability: by converting rules into negotiable instruments rather than binding constraints.

This finding challenges an implicit assumption in much of the banking governance literature, particularly that informed by Basel-oriented regulatory paradigms, which treats weak stability outcomes primarily as a function of capacity constraints or delayed reform adoption (Barth et al., 2013; Demirgüç-Kunt et al., 2015). In Ghana, the problem is not the absence of rules, but their selective application. This aligns with and extends institutionalist critiques which emphasise that formal compliance can coexist with functional non-compliance when informal institutions dominate (North, 1990; Helmke and Levitsky, 2004). One former bank executive captured this succinctly: *"We complied with everything on paper, but everyone knew enforcement depended on relationships"* (INT 33).

The implications of this dynamic for banking stability are profound. Neopatrimonial governance weakens the credibility of risk management frameworks by normalising exceptions. Insider lending, regulatory forbearance, and politically motivated credit allocation create latent vulnerabilities that accumulate over time. As one banking consultant noted, *"The crisis didn't come from nowhere; it was the result of years of tolerated bad behaviour"* (INT 29). Stability, in this sense, is eroded gradually through everyday governance practices rather than sudden regulatory collapse. This insight supports recent work in financial political economy which emphasises slow-moving institutional fragilities over sudden shocks (Gabor, 2020).

Regulatory credibility emerges from the findings as a particularly critical intermediary between neopatrimonialism and stability. The study shows that when regulators are perceived as politically constrained or selectively assertive, banks recalibrate their behaviour accordingly. Risk-taking becomes rational when enforcement is uncertain. One interviewee from the banking sector observed, *"Once banks realise some players are protected, discipline across the system breaks down"* (INT 21). This resonates strongly with moral hazard arguments in the banking literature, but extends them by showing that moral hazard in neopatrimonial contexts is politically produced rather than purely market-driven (Laeven and Valencia, 2018).

Moreover, weakened regulatory credibility has systemic implications beyond individual institutions. The findings suggest that public confidence in the banking system is highly sensitive to perceptions of fairness and impartiality. During the 2017–2019 banking sector clean-up, revelations of insider lending and elite protection significantly damaged trust. As one government official reflected, *"People lost faith not just in the banks, but in the idea that the system was fair"* (INT 30). This erosion of trust directly undermines stability by increasing the risk of deposit withdrawals, liquidity stress, and capital flight, reinforcing arguments that confidence is a central, though often under-theorised, pillar of financial stability (Gorton, 1988; Minsky, 1986).

From a reform perspective, these findings imply that technocratic governance reforms, while necessary, are insufficient. Strengthening capital requirements or board structures without addressing informal power relations risks reproducing the same vulnerabilities under new institutional forms. This reinforces Andrews' (2013) critique of "isomorphic mimicry", where reforms change appearances without altering underlying incentives. As one central bank insider put it, *"We change the rules, but the behaviour adapts faster than the rules do"* (INT 24).

However, the findings also invite a more nuanced reflection on neopatrimonialism itself. While the dominant impact of neopatrimonial networks on banking stability is destabilising, the evidence does not support a purely negative or deterministic interpretation. Informal networks also played a role, albeit ambivalent, in crisis containment. Several interviewees noted that elite-level coordination during the banking sector clean-up facilitated rapid decision-making and resource mobilisation. One senior official remarked, *"Without backchannel discussions, some of those interventions would have taken much longer"* (INT 11). This complicates standard reform narratives which assume that informal governance must simply be eliminated.

This observation aligns with strands of the literature that conceptualise neopatrimonialism as a hybrid governance system with both developmental and anti-developmental potential, depending on how elite incentives are structured (Booth and Cammack, 2013; Khan, 2018). In this sense, the Ghanaian case suggests that the key challenge is not the existence of informal networks per se, but their lack of alignment with stability-enhancing objectives. Where informal authority reinforces discipline and coordination, it can support stability; where it entrenches impunity, it undermines it. As one experienced regulator reflected, *"The problem isn't relationships; it's when relationships replace rules"* (INT 45).

This insight opens space for alternative theoretical considerations. While neopatrimonialism provides a powerful explanatory lens, it risks flattening variation if treated as a static condition. The findings suggest the need to integrate neopatrimonial analysis with theories of elite bargaining and political settlements, which focus on how power is distributed and contested over time (Khan, 2010; Pritchett et al., 2017). Banking stability, from this perspective, becomes contingent on whether dominant elites perceive systemic stability as aligned with their long-term interests. The Ghanaian banking crisis can thus be interpreted as a moment where misaligned elite incentives produced instability, followed by partial realignment through reform and consolidation.

At the same time, insights from sociological institutionalism and legitimacy theory help explain why formal governance reforms continue to be pursued despite their limited effectiveness. Adopting international standards signals modernity, competence, and credibility to external audiences, even when domestic enforcement is uneven (Meyer et al., 1997; Suchman, 1995). One interviewee candidly acknowledged this duality: *"We need Basel and governance codes to look credible internationally, but everyone knows the real game is local"* (INT 26). This reinforces the argument that governance reforms operate simultaneously on functional and symbolic levels.

Reflecting on policy implications, the findings suggest that reforms aimed at enhancing banking stability must engage directly with neopatrimonial dynamics rather than assuming them away. Strengthening regulatory independence remains crucial, but independence should be understood politically as well as legally. Formal protections for regulators are insufficient if informal sanctions remain potent. As one former regulator noted, *"You can protect my job on paper, but not my future"* (INT 19). This highlights the importance of broader accountability ecosystems, including media scrutiny, judicial credibility, and civil society engagement, in supporting stable banking governance.

Furthermore, reform strategies should focus on reducing the payoff to destabilising behaviour rather than merely increasing formal compliance requirements. Enhancing transparency around related-party lending, enforcing personal liability for directors, and limiting discretionary regulatory forbearance can gradually shift incentives. However, such measures require sustained political commitment, which cannot be assumed in neopatrimonial contexts. As one banking consultant observed, *"Stability only matters when those in power feel they have something to lose"* (INT 28).

In theoretical terms, this study therefore contributes to a more grounded understanding of banking stability in developing economies. It challenges narrow, technocratic models and supports an integrated approach that combines corporate governance theory, neopatrimonial analysis, and political economy. Banking stability emerges not as a static equilibrium, but as a negotiated outcome shaped by formal institutions, informal networks, and shifting elite interests.

Thus, the implications of neopatrimonial dynamics for banking stability in Ghana are both sobering and instructive. Neopatrimonial governance systematically weakens institutional credibility, amplifies risk, and undermines public trust, thereby increasing the likelihood and severity of banking crises. At the same time, informal networks are not simply pathologies; they are embedded features of the governance landscape that can, under certain conditions, support coordination and crisis management. The challenge for reform, and for theory, is therefore not to imagine a governance system free of informality, but to understand how informal power can be constrained, redirected, and rendered compatible with stability. By foregrounding this tension, the study offers both a substantive contribution to the literature on corporate governance and neopatrimonialism, and a reflective framework for thinking about banking stability in developing economies more broadly. The next section will critique the limitations of the neopatrimonialism framework in explaining governance outcomes.

7.7 Context-Sensitive Reform Strategies

.

Building on the theoretical refinements developed in Sections 7.2 to 7.6, this section advances a set of context sensitive reform strategies aimed at addressing governance weaknesses and enhancing banking stability in Ghana. Rather than proposing idealised or technocratic solutions, these reforms are deliberately grounded in the political and institutional realities revealed by the study. The core argument is that effective reform in neopatrimonial settings must engage directly with informal power structures, elite incentives, and enforcement credibility, rather than assuming that formal rule changes alone will deliver stability.

A first and foundational reform priority concerns **strengthening regulatory independence and enforcement credibility**. While the Bank of Ghana possesses extensive formal authority, the findings of this study demonstrate that its effectiveness has historically been undermined by political interference, selective enforcement, and regulatory forbearance. Reform must therefore move beyond rhetorical commitments to independence and instead institutionalise safeguards that insulate regulatory decision making from partisan influence. Concretely, this requires statutory protection for senior regulatory appointments, including fixed non renewable terms for the Governor and Deputy Governors, transparent parliamentary confirmation processes, and legally binding constraints on executive directives affecting supervisory decisions. In addition, enforcement credibility should be strengthened through mandatory public disclosure of major regulatory actions, including licence revocations, capital adequacy breaches, and sanctions imposed on directors and senior executives. Such measures increase the political cost of interference and signal a clear commitment to impartial supervision, thereby enhancing deterrence and restoring confidence in regulatory authority.

A second reform priority lies in **depoliticising board and executive appointments through enforceable merit based selection mechanisms**. The study demonstrates that politically mediated appointments have weakened board oversight, diluted risk management, and entrenched clientelist practices in Ghanaian banks. Addressing this requires more than voluntary governance codes. A concrete policy response would involve mandating independent nomination committees for all banks, with a majority of members drawn from professionally accredited bodies and subject to regulatory approval. Appointment criteria should be standardised and legally enforceable, specifying minimum thresholds for banking expertise, risk management experience, and independence from political office or party leadership within a defined cooling off period. To reinforce compliance, the Bank of Ghana should be empowered to veto appointments that fail to meet these criteria and to impose personal sanctions on controlling shareholders or boards that circumvent the process. By directly constraining elite discretion over appointments, such reforms target a central channel through which neopatrimonial influence enters bank governance.

Third, **enhancing transparency and accountability through targeted disclosure and supervisory technology** is critical to limiting the space for informal manipulation. Rather than relying solely on ex post audits, reforms should mandate real time regulatory reporting on large exposures, related party lending, and politically exposed persons. This can be operationalised through centralised digital reporting platforms that automatically flag threshold breaches and related party transactions for supervisory review. In parallel, audit and compliance functions within banks should be strengthened through mandatory rotation of external auditors, enhanced protection for internal whistleblowers, and direct reporting lines between chief risk officers and regulators. These measures reduce discretion, compress information asymmetries, and make governance failures more visible before they crystallise into systemic instability. While technology is not a panacea, its strategic use can materially constrain the opacity on which neopatrimonial practices often depend.

Beyond formal mechanisms, the sustainability of reform depends on **cultivating a culture of accountability that reshapes norms and expectations within the banking sector**. The findings of this study underscore that governance failures are not solely institutional but are embedded in shared understandings of loyalty, obligation, and acceptable conduct. Policy responses must therefore extend beyond regulation to norm setting and reputational incentives. Concrete interventions include public reporting of enforcement outcomes, naming and sanctioning directors involved in major governance breaches, and recognising banks that demonstrate consistent ethical leadership through regulatory scorecards or public rankings. In addition, sustained engagement with civil society, professional associations, and investigative media can strengthen external scrutiny and counterbalance elite dominance. While cultural change is gradual, these measures help shift the reputational calculus of actors by making ethical compliance visible and valued.

Importantly, these reforms should not be interpreted as a call to eliminate informal networks altogether. As the analysis has shown, informal coordination can, under certain conditions, facilitate rapid decision making and crisis containment. The policy challenge is therefore to **reorient informal influence towards transparency and accountability rather than protection and impunity**. This requires aligning elite incentives with system stability by ensuring that the costs of governance failure are borne by decision makers rather than socialised through public bailouts. Mechanisms such as director liability regimes, enforceable fit and proper assessments, and restrictions on post exit political appointments can play a crucial role in recalibrating these incentives.

Furthermore, these reform strategies have significant implications for policy and practice. They underscore the limits of transplanting global governance standards without adaptation and highlight the importance of politically informed institutional design. Rather than treating neopatrimonialism as an obstacle to be bypassed, effective reform must engage with it directly, constraining its destabilising effects while narrowing the space for elite capture. By integrating formal regulation with credible enforcement, merit based governance, enhanced transparency, and norm shifting mechanisms, Ghana's banking sector can move towards a more resilient and stable governance equilibrium. The next section summarises the chapter's key contributions and situates them within the broader objectives of the thesis.

7.8 Chapter Summary

This chapter has drawn together the core theoretical and empirical threads of the thesis by critically reflecting on the relationship between neopatrimonialism, corporate governance, and banking stability in Ghana. Building explicitly on the discussions in Sections 7.2 to 7.7, the chapter moved beyond description to synthesis, using the empirical findings from Chapters 5 and 6 to interrogate, refine, and extend existing theoretical frameworks. In doing so, it has positioned neopatrimonialism not as a static or monolithic condition, but as a dynamic and contextually embedded mode of governance that shapes both stability and fragility within the Ghanaian banking sector.

Section 7.2 reaffirmed the relevance of neopatrimonialism as a foundational lens for understanding governance in developing economies, particularly its emphasis on the coexistence of formal institutions and informal networks of power, loyalty, and reciprocity. This theoretical grounding provided the basis for the subsequent analysis by clarifying why formal governance reforms in Ghanaian banks have often failed to translate into effective oversight and discipline. Section 7.3 then advanced the argument by foregrounding the duality of neopatrimonialism, demonstrating that while it frequently undermines accountability and risk management, it can also function as an adaptive mechanism in contexts of institutional weakness, facilitating coordination and decision making under conditions of uncertainty.

In Section 7.4, the chapter explicitly linked these theoretical insights to the empirical findings of the study, showing how neopatrimonial networks are embedded within board structures, regulatory processes, and everyday governance practices in Ghanaian banks. This section illustrated how governance is not absent or ignored, but actively reshaped through informal logics that coexist with formal rules. Section 7.5 extended this analysis by examining the implications of these dynamics for banking stability, highlighting how selective enforcement, insider lending, and elite protection contributed to the accumulation of systemic risk, while also recognising the role of informal coordination during periods of crisis.

Section 7.6 provided a critical interrogation of the neopatrimonialism framework itself, identifying its conceptual and explanatory limits. While the framework proved effective in explaining persistence and elite dominance, it was shown to be less capable of accounting for agency, variation, institutional change, and global embeddedness. By engaging with complementary perspectives such as institutional hybridity, political settlements, elite governance, and global political economy, the chapter demonstrated the value of theoretical pluralism in explaining governance outcomes in complex financial systems. This critique was not a rejection of neopatrimonialism, but a refinement of its analytical use.

Finally, Section 7.7 translated these theoretical and empirical insights into context-sensitive reform strategies. Rather than advocating technocratic or decontextualised solutions, the chapter argued that sustainable reform must engage directly with informal power relations, elite incentives, and enforcement credibility. Strengthening regulatory independence, constraining discretionary appointments, enhancing transparency, and reshaping accountability norms were presented as practical pathways to improving banking stability, while recognising the hybrid nature of governance in Ghana.

Thus, the chapter consolidates the thesis's central contribution: that banking stability in Ghana is not simply a function of formal institutional design, but the outcome of negotiated interactions between formal rules and informal power structures. By systematically integrating theory, empirical evidence, critique, and reform implications across Sections 7.2 to 7.7, the chapter provides a coherent and reflective account of governance in Ghanaian banking. This synthesis lays the conceptual foundation for the final chapter, which draws out the overall conclusions, contributions, and implications of the study. The next chapter dsucusses the summary and conclusion of the theses.

CHAPTER EIGHT: SUMMARY AND CONCLUSIONS

8.1 Introduction

This chapter concludes the thesis by drawing together the study's core arguments, empirical findings, and theoretical insights, and by reflecting on their implications for bank governance and banking stability in Ghana. It revisits the research objectives and questions set out at the beginning of the study and situates the findings within the broader literature on corporate governance, regulation, and neopatrimonialism in developing economies. In doing so, the chapter provides an integrated account of how formal bank governance frameworks interact with informal power relations and what this interaction means for governance effectiveness in practice.

The chapter builds on the preceding empirical and analytical chapters, which demonstrated that bank governance in Ghana operates within a neopatrimonial institutional environment where formal rules coexist with, and are frequently reshaped by, informal networks of political, social, and economic influence. Rather than treating governance failure as a product of weak regulation or poor institutional design alone, this chapter emphasises the importance of understanding governance as a politically and socially embedded process. It therefore synthesises how internal governance mechanisms, external regulatory oversight, and informal practices collectively shape accountability, risk management, and strategic decision-making within Ghanaian banks.

In addition to summarising the study's key findings, this chapter articulates the thesis's contributions to theory, policy, and practice. It highlights how the research advances neopatrimonialism as an analytical lens for understanding bank governance, challenges the assumed universality of formal governance models, and offers context-sensitive insights for regulatory reform. The chapter also acknowledges the study's limitations and outlines directions for future research that can extend and refine understanding of governance dynamics in Ghana and comparable settings.

The chapter is structured as follows. Section 8.2 provides an overview of the thesis and restates the research questions and methodological approach. Section 8.3 presents an integrated summary of the key findings. Section 8.4 discusses the study's contributions to knowledge, policy, and practice. Section 8.5 outlines the limitations of the study and identifies areas for future research. Section 8.6 concludes the chapter by reflecting on the broader implications of the study for bank governance and financial stability in neopatrimonial contexts.

8.2 Overview of the Thesis

This thesis examines the influence of neopatrimonialism on corporate governance in Ghana's banking sector, with particular attention to how informal power networks intersect with formal governance structures to shape governance effectiveness and banking stability. Ghana provides a compelling empirical context for this investigation due to the central role of banks in economic development, the country's history of financial sector reforms, and the persistence of informal political and social relations within its broader political economy. While Ghana has adopted internationally recognised governance and regulatory frameworks, repeated governance failures and episodes of banking instability raise critical questions about how these frameworks operate in practice.

Conceptually, the thesis is anchored in neopatrimonialism, understood as a system in which formal institutional rules coexist with, and are frequently penetrated by, informal, personalised networks of power, loyalty, and reciprocity (Erdmann and Engel, 2007). In the banking sector, where transparency, accountability, and regulatory compliance are essential for financial stability, such dynamics present distinctive governance challenges. Rather than assuming a clear separation between formal institutions and informal practices, the thesis investigates how governance outcomes emerge from their interaction.

The study is guided by two interrelated research questions. First, it asks: to what extent do the specific systems and structures that underpin bank governance in Ghana contribute to the overall effectiveness of corporate governance in Ghanaian banks? Second, it examines: what role do informal networks and arrangements play in bank governance in Ghana**?** Together, these questions enable the thesis to assess both the formal design of governance mechanisms and the informal processes through which they are enacted, subverted, or reinterpreted in practice.

To address these questions, the thesis adopts a qualitative interpretive research design, as outlined in Chapter 4. The study employs a combination of thematic analysis of primary interview data and documentary analysis of secondary sources. Semi-structured interviews were conducted with key stakeholders in Ghana's banking sector, including regulators, board members, senior executives, auditors, and policy actors. Thematic analysis was used to identify recurring patterns and meanings related to governance practices, regulatory enforcement, and the influence of informal networks. Documentary analysis was applied to regulatory frameworks, policy reports, official statements, and media coverage in order to examine how governance issues are formally articulated, contested, and legitimised within regulatory and public discourse. The integration of these methods allowed for a nuanced understanding of how internal and external governance mechanisms interact with neopatrimonial dynamics in the Ghanaian banking sector.

The thesis is situated within, and contributes to, a growing body of African corporate governance scholarship that highlights the limits of formal institutional reform in neopatrimonial contexts. While studies such as Kimani et al. (2021) demonstrate how informal political and personal networks undermine accountability structures in Kenya, and Ekanayake et al. (2025) show how bank governance can be systematically subverted through the selective reinterpretation of formal rules in developing economies, this thesis extends these insights by focusing specifically on Ghana's banking sector. It examines how patron–client relations, political connections, and elite bargaining shape board decision making, regulatory compliance, and strategic direction within banks.

The study also engages with broader theoretical debates on elite power and governance. In line with Erdmann (2013), the thesis recognises that in neopatrimonial settings, public and corporate offices may be treated as extensions of private or political interests. Internal governance mechanisms, such as board oversight and risk committees, are therefore not inherently ineffective, but are often compromised by competing loyalties and obligations. As argued by Nakpodia and Adegbite (2018), politically connected directors may prioritise elite or patron interests over institutional accountability, weakening board independence and governance discipline. These dynamics are shown in this thesis to be central to understanding governance effectiveness in Ghanaian banks.

External governance mechanisms are also critically examined. Although regulatory oversight by institutions such as the Bank of Ghana is designed to compensate for weaknesses in internal governance, the thesis explores how regulatory enforcement can itself be shaped by neopatrimonial pressures. Drawing on the concept of regulatory capture (Teske, 2004), the study investigates how political influence and elite interests may constrain supervisory action, leading to selective enforcement and delayed intervention. This interaction between internal and external governance structures contributes to a governance environment characterised by formal compliance alongside substantive fragility.

Overall, this thesis argues that bank governance in Ghana cannot be understood solely through formal institutional analysis. Instead, governance outcomes reflect a complex interplay between formal rules and informal neopatrimonial networks embedded within the wider political economy. By combining empirical investigation with theoretical reflection, the study provides a contextually grounded account of how governance systems operate in practice and why governance reforms have produced uneven results. The following section (8.3) presents an integrated summary of the study's key findings, drawing together the empirical and analytical insights developed across the thesis.

8.3 Integrated Summary of Key Findings

This section provides an integrated synthesis of the thesis's key findings. The intention is to draw together the empirical evidence and analytical insights generated across the study in order to demonstrate how governance outcomes in Ghanaian banks are shaped by the interaction between formal institutional arrangements and informal neopatrimonial dynamics. In doing so, the section directly addresses the study's two research questions by examining both the effectiveness of formal bank governance systems in Ghana and the role played by informal networks and arrangements in shaping governance practices and outcomes.

The findings reveal that bank governance in Ghana is characterised by a persistent gap between formal regulatory design and governance in practice. While Ghana has adopted internationally recognised governance frameworks and regulatory standards, their effectiveness is mediated by deeply embedded political, social, and cultural norms associated with neopatrimonialism. These norms operate through personalised power relations, clientelism, and reciprocal obligations that cut across formal organisational boundaries. As a result, governance mechanisms intended to promote accountability, transparency, and risk management are frequently reinterpreted or selectively applied.

Across the study, governance outcomes were shown to be influenced by a combination of regulatory pressures, normative expectations, and cultural-cognitive logics. Formal rules and codes establish the appearance of compliance, but informal networks often determine how decisions are actually made, enforced, or avoided. This coexistence does not imply the absence of governance, but rather the presence of a hybrid governance system in which formal and informal logics operate simultaneously. This hybrid system explains why banks may appear compliant on paper while remaining vulnerable to governance failures and instability in practice.

Importantly, the findings also indicate that neopatrimonialism does not operate as a purely external distortion of governance. Instead, it is internalised within governance structures themselves, shaping board behaviour, regulatory engagement, and strategic decision making. This insight moves the analysis beyond simplistic explanations of corruption or institutional weakness and towards a more nuanced understanding of governance as a negotiated and contextually embedded process. The sections that follow elaborate on these dynamics, beginning with the relationship between formal governance structures and informal neopatrimonial realities.

8.3.1 Formal Governance Structures and Informal Neopatrimonial Realities

The Ghanaian banking sector is formally governed by a comprehensive set of regulatory and institutional frameworks designed to align governance practices with international standards. These include prudential regulations, supervisory guidelines, and the Bank of Ghana's Corporate Governance Directive, which emphasises board independence, risk management, internal controls, and transparency in reporting (Bank of Ghana, 2018; Bank of Ghana, 2020). In principle, these frameworks position boards as central actors responsible for strategic oversight, accountability, and the protection of depositor and shareholder interests. Such arrangements reflect dominant global models of corporate governance that prioritise formal accountability, regulatory compliance, and board-based monitoring (Claessens and Yurtoglu, 2013).

However, the findings of this study demonstrate that these formal governance structures operate within, and are reshaped by, a broader neopatrimonial institutional environment. Neopatrimonialism is characterised by the coexistence of legal-rational institutions with informal, personalised networks of power, loyalty, and reciprocity that penetrate organisational decision-making (Erdmann and Engel, 2007; Van de Walle, 2001). In the Ghanaian banking context, informal power relations, political connections, and social obligations exert significant influence over how governance mechanisms function in practice. Rather than displacing formal structures, neopatrimonial dynamics coexist with them, frequently redirecting their purpose through informal bargaining and elite coordination (Mkandawire, 2015).

This dynamic is particularly evident in board composition and functioning. While regulatory directives emphasise independence, competence, and diversity of expertise, board appointments are often shaped by powerful political or business actors seeking to retain strategic influence over banks. As a result, boards may formally satisfy regulatory requirements while lacking the substantive independence necessary to challenge management or resist external pressures. In such contexts, governance mechanisms intended to enhance accountability can become instruments for sustaining clientelist networks rather than enforcing discipline. This finding is consistent with broader African corporate governance scholarship, which demonstrates how neopatrimonialism blurs the boundary between public and private interests and weakens the effectiveness of formal institutional roles (Kimani et al., 2021; Nakpodia and Adegbite, 2018).

The interaction between formal and informal governance systems thus produces a dual governance reality. On the surface, banks appear compliant with regulatory expectations, maintaining the structures, documentation, and reporting processes required by supervisors. Beneath this surface, however, decision-making is frequently shaped by informal considerations that prioritise relational obligations and political loyalty over institutional objectives. This duality generates persistent tension within governance processes: formal rules seek to impose uniform standards of conduct, while informal networks selectively accommodate, dilute, or override those standards in line with elite interests and reciprocal obligations (Erdmann and Engel, 2007; Lindberg, 2010).

These tensions have direct implications for governance effectiveness and banking stability. Boards constrained by informal loyalties are less likely to exercise rigorous oversight, enforce prudent risk management, or challenge conflicted decisions, thereby weakening internal governance discipline (Claessens and Yurtoglu, 2013). Similarly, when informal relationships shape interactions with regulators, enforcement becomes uneven and compliance loses its disciplining effect, increasing moral hazard and enabling the accumulation of systemic risk (Teske, 2004; Kimani et al., 2021). Such limitations were particularly evident in the period preceding Ghana’s financial sector clean-up, when governance failures and regulatory forbearance contributed to widespread bank distress and eventual resolution interventions by the Bank of Ghana (Bank of Ghana, 2020).

Overall, the research findings underscore that bank governance in Ghana cannot be understood by examining formal structures in isolation. Governance outcomes emerge from the continuous interaction between formal institutional arrangements and informal neopatrimonial realities. Recognising this interaction is essential for explaining why governance reforms have produced uneven results and why banking stability remains fragile despite repeated regulatory interventions. The next section builds on this analysis by examining internal and external governance mechanisms in greater detail, focusing on how these mechanisms are shaped by, and respond to, neopatrimonial pressures.

8.3.2 Internal Governance Mechanisms in Neopatrimonial Contexts

Internal governance mechanisms within Ghanaian banks are formally designed to align the actions and decisions of directors and senior management with the interests of shareholders, regulators, depositors, and the wider financial system. These mechanisms include the board of directors, board committees (notably audit and risk committees), internal control and reporting systems, performance evaluation processes, and remuneration frameworks. In line with Bank of Ghana regulatory requirements, these structures are intended to promote accountability, transparency, prudent risk management, and strategic oversight. In theory, they reflect globally dominant corporate governance models that emphasise board independence, internal monitoring, and incentive alignment as key safeguards against managerial opportunism and excessive risk-taking (Hopt, 2013; Claessens and Yurtoglu, 2013).

The findings of this study, however, indicate that the effectiveness of these internal governance mechanisms is significantly mediated by Ghana's neopatrimonial institutional context. While internal structures exist and are operational, their functioning is frequently shaped by informal pressures arising from clientelist networks, political affiliations, and personalised relationships. As a result, internal governance mechanisms do not operate as neutral instruments of oversight, but as arenas in which formal rules and informal obligations intersect. This confirms earlier observations that in neopatrimonial settings, internal governance structures may be present in form but compromised in substance (Hopper et al., 2009).

Beyond formal controls, internal governance in Ghanaian banks is also shaped by informal norms, values, and organisational culture. These cultural elements influence how directors and employees interpret rules, assess acceptable behaviour, and prioritise competing demands. Organisational culture can function as a powerful internal control mechanism, shaping behaviour through shared expectations rather than formal sanctions (Abernethy and Brownell, 1997). In the Ghanaian banking context, such informal controls often reinforce loyalty, deference to authority, and risk aversion when dealing with politically connected actors. While these norms can promote internal cohesion, they may also discourage challenge, whistleblowing, and critical scrutiny, thereby weakening effective governance.

Informal networks and social capital further complicate internal governance dynamics. Relationships among board members, executives, and staff can facilitate trust, coordination, and information sharing, enabling decisions to be made more quickly than through formal procedures alone. Prior research suggests that trust-based relations and social capital can enhance cooperation and organisational efficiency, particularly in complex environments (Adler and Kwon, 2002; Aarstad et al., 2010). The findings of this study suggest that such informal mechanisms are integral to everyday governance practices within Ghanaian banks. However, while they may improve operational efficiency, they also introduce governance risks by reducing transparency and enabling preferential treatment. This creates an inherent tension between flexibility and accountability, a tension that directors must continuously navigate in neopatrimonial contexts.

At the centre of internal governance lies the board of directors, which is formally tasked with setting strategic direction, overseeing management, and ensuring regulatory compliance. In principle, boards are expected to function as independent monitors capable of challenging executive decisions and safeguarding institutional integrity (Hopt, 2013). The findings of this study, however, indicate that board effectiveness is frequently constrained by appointment processes shaped by political and elite influence. Directors may owe their positions not solely to expertise or independence, but to their alignment with powerful political or economic actors. This weakens the board's capacity to exercise objective oversight and increases the likelihood that strategic decisions will reflect external interests rather than institutional priorities.

Similar dynamics affect key board committees, particularly audit and risk committees. These committees are critical internal governance mechanisms responsible for monitoring financial reporting, internal controls, and risk exposure. However, the study finds that committee composition is often influenced by the same informal considerations that shape board appointments more broadly. Political connections and loyalty frequently outweigh technical competence or independence, undermining the committees' ability to function as effective safeguards. This corroborates Nakpodia and Adegbite's (2018) argument that elite influence over board and committee appointments systematically weakens corporate governance in African contexts. Comparable findings by Hyvonen et al. (2008) further suggest that when informal networks dominate committee composition, formal control systems lose their capacity to constrain opportunistic or risky behaviour.

Performance evaluation systems represent another internal governance mechanism that is formally designed to promote accountability and effectiveness. In Ghanaian banks, these systems are intended to assess managerial and employee performance against predefined objectives and risk standards. The findings indicate, however, that performance evaluations are often susceptible to informal manipulation. Individuals with close ties to influential actors may receive favourable assessments regardless of objective performance, while others may be disadvantaged despite competence. This reflects Ilkhamov's (2007) observation that in neopatrimonial settings, formal evaluation mechanisms are frequently co-opted to serve informal agendas. As a result, performance systems become decoupled from their intended governance function, weakening their role in incentivising prudent behaviour.

Compensation and reward systems exhibit similar patterns. While remuneration frameworks increasingly incorporate performance-related elements, these are often secondary to loyalty-based considerations. Rather than aligning incentives with long-term performance and risk management, rewards are frequently used to reinforce allegiance to powerful individuals or networks. Adegbite's (2015) analysis of the Nigerian banking sector highlights how executive compensation in developing economies often evolves unevenly, with formal performance metrics coexisting alongside informal reward practices. The Ghanaian findings suggest a comparable pattern, where remuneration is deployed strategically to preserve networks and manage political risk rather than to promote accountability and sustainable performance. This misalignment of incentives distorts managerial priorities and can encourage short-termism, further undermining effective internal governance.

Thus, the findings demonstrate that internal governance mechanisms in Ghanaian banks cannot be assessed solely by their formal design or regulatory compliance. Boards, committees, performance systems, and remuneration frameworks operate within a neopatrimonial environment that reshapes their functioning through informal power relations and reciprocal obligations. While these mechanisms retain some capacity to support coordination and operational efficiency, their effectiveness as tools of accountability and risk control is substantially weakened. This internal governance fragility has important implications for banking stability, particularly when combined with external regulatory pressures that are themselves subject to neopatrimonial influence. The next section therefore turns to external governance mechanisms, examining how regulatory oversight interacts with these internal dynamics.

8.3.3 External Governance Mechanisms and the Influence of Neopatrimonialism

External governance mechanisms in Ghana's banking sector are primarily exercised through regulatory oversight by the Bank of Ghana and related supervisory institutions. These mechanisms are designed to complement internal governance by enforcing compliance with prudential regulations, governance standards, and disclosure requirements, thereby safeguarding systemic stability. Key regulatory instruments include the Corporate Governance Directive for Banks and Specialised Deposit Taking Institutions (2018) and the Corporate Governance Disclosure Directive (2020), which seek to align bank governance with international norms relating to transparency, accountability, and risk management (Bank of Ghana, 2018; Bank of Ghana, 2020).

In formal terms, external governance operates through supervision, inspections, approval of board appointments, enforcement actions, and, where necessary, corrective intervention. Unlike internal mechanisms, which function within the firm, external governance is intended to provide impartial oversight and impose discipline from outside the organisation. However, the findings of this study demonstrate that the effectiveness of these external mechanisms is significantly shaped by Ghana's neopatrimonial political economy, particularly through political interference, elite bargaining, and discretionary enforcement.

Evidence from Chapter 6, especially Section 6.4, indicates that regulatory enforcement in Ghana has often been uneven rather than absent. While regulations are robust on paper, their application has frequently been mediated by informal political pressures. Banks with strong political connections were more likely to experience regulatory forbearance, delayed sanctions, or negotiated compliance, even where governance breaches were evident. This pattern aligns with Kimani et al. (2021), who show that in neopatrimonial contexts regulatory agencies are vulnerable to elite influence, limiting their ability to enforce rules consistently.

This dynamic reflects a form of regulatory capture that is subtle rather than overt. Rather than direct corruption, capture manifests through informal negotiations, political intercession, and the selective prioritisation of enforcement. As documented in this study, several respondents directly linked prolonged regulatory forbearance to the collapse of banks during Ghana's 2017 to 2019 financial sector clean up. In this sense, external governance failure did not stem from regulatory incapacity alone, but from constrained enforcement credibility within a politically embedded supervisory environment (Teske, 2004).

The effectiveness of external governance is further weakened by institutional fragmentation. Ghana's financial sector oversight involves multiple regulatory bodies with overlapping responsibilities, creating coordination challenges and enforcement ambiguities. The findings suggest that such fragmentation enabled politically connected actors to exploit regulatory gaps, delay compliance, or deflect accountability. This is consistent with Elbashir et al. (2011), who argue that fragmented regulatory systems are particularly susceptible to informal influence in environments characterised by strong elite networks.

Importantly, the Ghanaian experience reflects the dynamics identified by Ekanayake et al. (2025), who conceptualise bank governance in neopatrimonial settings as being actively subverted rather than simply weak. Their analysis shows how formal regulatory compliance can be maintained at a symbolic level while substantive enforcement is neutralised. In Ghana, banks often complied with the formal requirements of regulation by submitting reports, restructuring boards, and adopting governance codes without corresponding changes in underlying practices. This performative compliance preserved legitimacy while allowing informal power relations to continue shaping outcomes.

Although the Bank of Ghana's reforms following the banking crisis, including licence revocations, higher capital requirements, and stricter governance enforcement, represent a significant assertion of regulatory authority, the findings indicate that these measures have reshaped rather than eliminated neopatrimonial influence. External governance has become more visible and interventionist, but informal political considerations continue to affect how rules are interpreted and enforced. As a result, regulatory reform has produced a more disciplined yet still hybrid governance environment.

Thus, external governance mechanisms in Ghana's banking sector are formally strong but substantively contingent. Their capacity to stabilise the sector depends not only on regulatory design, but on the credibility and consistency of enforcement within a neopatrimonial institutional context. When combined with internally constrained governance mechanisms, uneven external oversight contributes to systemic vulnerability rather than resilience. Taken together with the preceding sections, these findings underscore that banking stability in Ghana emerges from the interaction between internal governance weaknesses and externally mediated enforcement, both operating within a broader neopatrimonial political economy.

8.3.4 Implications of the Findings for the Stability of the Banking Sector

The findings of this study demonstrate that governance failures shaped by neopatrimonial dynamics have profound implications for the stability of Ghana's banking sector. Banking stability depends not only on the existence of formal regulatory frameworks but also on the capacity of governance systems to enforce discipline, manage risk, and sustain public confidence. In Ghana, the interaction between formal governance structures and informal networks of power has systematically weakened these stabilising functions, contributing to the vulnerabilities that culminated in the banking sector clean up initiated by the Bank of Ghana between 2017 and 2019 (Bank of Ghana, 2020).

One of the most significant implications of neopatrimonial governance for banking stability is the erosion of effective risk management. The findings reveal that limited board independence, coupled with loyalty based appointments and constrained oversight, reduced banks' ability to challenge high risk strategies and conflicted lending decisions. Where directors are embedded within patron client networks, governance decisions are more likely to prioritise relational obligations over prudential considerations. This weakens due diligence, increases exposure to insider lending, and undermines portfolio quality, thereby heightening vulnerability to financial shocks. Similar dynamics have been identified in other neopatrimonial contexts, where governance failures are closely associated with banking fragility and crisis (Hyvonen et al., 2008; Kimani et al., 2021).

The implications for stability are further intensified by selective regulatory enforcement. As shown in Chapters 6 and 8.3.3, regulatory oversight in Ghana has often been characterised by forbearance towards politically connected banks, allowing governance weaknesses to persist unchecked. This uneven enforcement distorts incentives across the sector, encouraging moral hazard and risk taking on the assumption that political ties can delay or soften regulatory intervention. The banking sector clean up exposed the cumulative effects of such practices, as prolonged tolerance of governance failures ultimately necessitated large scale resolution measures, licence revocations, and public financial support (Bank of Ghana, 2020; IMF, 2019).

Neopatrimonialism also undermines banking stability through its impact on institutional credibility and market confidence. Stability in banking systems depends heavily on trust among depositors, investors, and counterparties. The findings indicate that perceptions of favouritism, regulatory inconsistency, and elite protection erode confidence in both individual banks and the regulatory regime as a whole. Once confidence weakens, liquidity pressures can intensify rapidly, amplifying systemic risk. This aligns with broader evidence that governance failures and weak enforcement credibility contribute to contagion effects and loss of confidence during financial crises (Claessens and Yurtoglu, 2013).

Importantly, the findings suggest that governance failure in Ghanaian banking is not merely the result of weak capacity or poor technical design, but of the active subversion of governance mechanisms. Ekanayake et al. (2025) argue that in neopatrimonial settings, bank corporate governance is often strategically reinterpreted to preserve elite interests while maintaining the appearance of compliance. This insight is particularly relevant to Ghana, where banks frequently adopted formal governance structures and reporting practices without corresponding behavioural change. Such performative compliance masked underlying fragilities, delaying corrective action and increasing the eventual cost of intervention. The banking sector clean up thus reflects not a sudden governance breakdown, but the delayed consequence of long standing governance subversion.

The interaction between internal governance weaknesses and constrained external enforcement also has long term implications for financial intermediation and economic development. When banks operate under neopatrimonial pressures, credit allocation is more likely to favour politically connected borrowers rather than productive investment opportunities. This misallocation of resources weakens banks' balance sheets and limits their contribution to inclusive economic growth. Over time, these dynamics reduce the resilience of the banking sector and increase its susceptibility to cyclical downturns and external shocks (Van de Walle, 2001; Mkandawire, 2015).

Overall, the findings underscore that banking stability in Ghana is deeply contingent on governance credibility. Formal regulations and supervisory frameworks are necessary but insufficient when informal power relations consistently undermine enforcement and accountability. The banking sector clean up illustrates the high systemic cost of tolerating governance failures over extended periods. Without addressing the neopatrimonial dynamics that shape both internal governance and regulatory enforcement, reforms risk improving compliance in form while leaving the underlying drivers of instability intact. These insights reinforce the need for governance reforms that strengthen enforcement credibility, constrain discretionary influence, and realign incentives across the banking system in order to support durable financial stability.

8.4 Contributions to Knowledge, Policy and Practice

This study makes important contributions to knowledge, policy, and practice by advancing understanding of how neopatrimonial dynamics shape corporate governance and banking stability in Ghana. By examining the interaction between formal governance frameworks and informal political and social networks within Ghanaian banks, the thesis moves beyond technocratic explanations of governance failure to provide a context sensitive account of why governance reforms often yield uneven outcomes.

Empirically, the study contributes detailed evidence from Ghana's banking sector, showing how internal governance mechanisms and regulatory oversight are mediated by informal power relations. In doing so, it extends African corporate governance scholarship that emphasises the persistent influence of informal networks on accountability and oversight (Kimani et al., 2021), while adding banking specific insights to the literature on corporate governance in Sub Saharan Africa (Lassou and Hopper, 2016).

Theoretically, the thesis refines neopatrimonialism as an analytical framework by demonstrating that governance systems are not merely weak, but are frequently reinterpreted and selectively enforced in ways that preserve elite interests while maintaining formal legitimacy. This contribution aligns with and extends recent work on the subversion of bank corporate governance in developing economies (Ekanayake et al., 2025), while building on foundational perspectives on the coexistence of formal and informal authority structures (Eisenstadt, 1973).

From a policy and practice perspective, the study highlights the limits of decontextualised governance reforms and underscores the importance of enforcement credibility, institutional coherence, and incentive alignment in strengthening banking stability. These contributions are developed further in the sections that follow.

8.4.1 Theoretical Contributions

Theoretical contribution, as Kilduff (2006) argues, lies in advancing, refining, or reorienting existing frameworks in ways that deepen explanatory power. This study makes such a contribution by critically extending neopatrimonialism as an analytical lens for understanding bank governance and banking stability in developing economy contexts. While neopatrimonialism has traditionally been applied to the study of state governance and political systems in Africa (Eisenstadt, 1973; Erdmann and Engel, 2007), this thesis advances theory by systematically applying and refining the framework within the domain of bank governance, an area that has received comparatively limited theoretical attention.

A central theoretical contribution of the study lies in demonstrating that neopatrimonialism does not merely weaken formal governance structures but actively reshapes them. The findings show that formal governance mechanisms in Ghanaian banks such as boards, committees, and regulatory oversight are neither absent nor irrelevant. Rather, they are selectively enacted, reinterpreted, and sometimes strategically subverted through informal networks of political affiliation, reciprocity, and elite bargaining. This insight extends existing applications of neopatrimonialism by moving beyond a binary opposition between formal and informal institutions towards a more dynamic understanding of governance as hybrid and negotiated. In this respect, the study aligns with and extends the work of Ekanayake et al. (2025), who conceptualise bank corporate governance in developing economies as being actively subverted rather than simply weak or poorly implemented.

The study further contributes to theory by illuminating how informal networks operate within, rather than outside, formal bank governance arrangements. Previous scholarship has documented the persistence of informal power structures in African organisations (Mkandawire, 2015; Hopper, 2017; Wai, 2012), but this thesis provides banking specific empirical evidence of how such networks shape board appointments, committee functioning, credit allocation, and regulatory engagement. In doing so, it extends the theoretical understanding of governance failure by showing that informal networks do not simply bypass formal rules, but frequently use them instrumentally to preserve legitimacy while redistributing power and resources within elite coalitions.

Another important theoretical contribution concerns regulatory compliance. Dominant bank governance theories often assume that strengthening regulatory frameworks and supervisory capacity will lead to improved governance outcomes (Griffith, 2015). This study challenges that assumption by demonstrating that regulatory institutions themselves are embedded within neopatrimonial contexts and are therefore susceptible to the same informal pressures as the organisations they regulate. The findings show how selective enforcement, regulatory forbearance, and negotiated compliance reflect not regulatory absence, but politically mediated enforcement. This insight extends neopatrimonial theory into the regulatory domain and reinforces calls to theorise regulation as a socially and politically embedded process rather than a purely technical function (Kimani et al., 2021).

The study also advances theoretical understanding by incorporating cultural and normative dimensions into the analysis of bank governance. Cultural norms such as deference to authority, respect for seniority, and loyalty to powerful patrons shape how directors and executives interpret their governance roles. These findings reinforce Mkandawire's (2015) argument that governance practices in Africa cannot be adequately theorised without attention to cultural and historical context. By embedding these cultural dynamics within neopatrimonialism, the study offers a more contextually grounded theory of bank governance that accounts for behavioural and normative influences alongside formal institutional design.

In addition, the thesis makes a significant contribution by reinterpreting accountability in neopatrimonial contexts. Conventional corporate governance theories emphasise institutional accountability to shareholders, regulators, and stakeholders. This study shows that in neopatrimonial banking systems, accountability is frequently personalised rather than institutional, with directors and executives prioritising obligations to patrons and networks over formal accountability channels. This reconceptualisation extends existing governance theory by highlighting the limits of formal accountability mechanisms in contexts where informal obligations carry greater practical force (Hopper, 2017; Uddin and Choudhury, 2008).

Finally, the study challenges the assumed universality of Western centric corporate governance models. Agency theory and related frameworks presume independent boards, rational decision making, and impersonal enforcement, assumptions that are frequently violated in neopatrimonial contexts. By demonstrating how governance outcomes are shaped by informal power relations and political economy constraints, the thesis supports calls for more context sensitive and pluralistic governance theories (Lassou and Hopper, 2016). In doing so, it contributes to the development of governance theory that is better equipped to explain institutional persistence, reform failure, and banking instability in developing economies. The next section looks at contribution to Literature.

8.4.2 Contributions to Literature

This study makes a substantive contribution to the literature on corporate and bank governance in developing economies by empirically and conceptually advancing understanding of how neopatrimonial dynamics shape governance outcomes within financial institutions. While corporate governance research has expanded significantly over the past two decades, it remains heavily skewed towards developed economies and formal institutional settings (Claessens and Yurtoglu, 2013). By contrast, this thesis responds to calls for more contextually grounded scholarship by examining governance as it is practiced within Ghana's banking sector, where formal rules coexist with informal power structures.

A primary contribution lies in extending the application of neopatrimonialism to the study of bank governance. Although neopatrimonialism is well established within political economy and development studies (Eisenstadt, 1973; Erdmann and Engel, 2007; von Soest, 2022), its use in corporate and banking governance research has been comparatively limited. Existing African governance studies acknowledge the presence of informal networks (Dedoulis and Leventis, 2023) and elite influence (Adegbite and Nakpodia, 2018) but often treat these dynamics as background conditions rather than as central explanatory mechanisms. This study deepens the literature by demonstrating how patron client relations, political affiliations, and elite bargaining actively shape board appointments, regulatory engagement, and risk governance in banks. In doing so, it complements and extends recent work by Kimani et al. (2021) on their work on corporate governance and accountability practices from an African neo-patrimonialism perspective with insights from Kenya and Ekanayake et al. (2025), situating bank governance within broader neopatrimonial political economies.

The study also contributes to the literature by advancing understanding of the interaction between formal and informal governance mechanisms. Traditional corporate governance theories emphasise formal structures such as independent boards, audit committees, and regulatory oversight as primary drivers of accountability and performance (Jensen and Meckling, 1976; Shleifer and Vishny, 1997). The findings of this research challenge the sufficiency of these models in neopatrimonial contexts. Rather than being displaced by informality, formal governance structures in Ghanaian banks are shown to be selectively enacted and strategically repurposed through informal networks. This insight aligns with, but also extends, African governance scholarship by empirically demonstrating how governance operates as a hybrid system rather than a dual or competing one (Hopper, 2017; Kimani et al., 2021).

Another important contribution is to the literature on regulatory governance and regulatory capture in developing economies. While regulatory capture is well theorised in economic and political science literature (Stigler, 1971), its manifestation in neopatrimonial banking systems has received limited empirical attention. This study contributes by showing how regulatory institutions themselves are embedded within informal political and social networks, resulting in selective enforcement, negotiated compliance, and regulatory forbearance. In this respect, the findings reinforce and extend insights from Kimani et al. (2021) and Ekanayake et al. (2025), demonstrating that governance failure cannot be understood solely at the firm level but must be analysed across the regulatory and political system.

The study further enriches African corporate governance literature by focusing explicitly on the banking sector, a domain that has been underexplored relative to public sector governance and non financial firms (Lassou et al., 2019). By integrating analysis of internal governance mechanisms, such as boards and committees, with external oversight arrangements, the thesis offers a more holistic account of governance in financial institutions that are systemically important for economic stability.

Finally, the research contributes to elite centred governance literature by empirically illustrating how governance reforms can be appropriated by dominant coalitions rather than resisted outright. Consistent with Nakpodia and Adegbite (2018), the findings show that governance reforms in Ghanaian banking are often absorbed into existing elite arrangements, preserving legitimacy while limiting substantive change. This contribution strengthens the literature by linking elite theory, neopatrimonialism, and bank governance into a coherent analytical framework.

Overall, this study advances the literature by moving beyond normative assessments of governance failure to provide a context sensitive, empirically grounded explanation of how bank governance actually functions in neopatrimonial settings. In doing so, it enriches debates on corporate governance, regulation, and political economy in Sub Saharan Africa and other developing regions.

8.4.3 Policy and Practice Implications

The findings of this study have important implications for policy and practice in Ghana's banking sector, particularly in the aftermath of the banking sector clean up. The evidence demonstrates that governance failures were not primarily caused by the absence of formal rules, but by the ways in which these rules were selectively interpreted, weakly enforced, or strategically circumvented through informal political and elite networks. In this respect, governance reform must move beyond a narrow focus on formal compliance and address the deeper institutional conditions that allow governance to be subverted in practice.

A central implication concerns regulatory oversight and independence. Although the Bank of Ghana possesses extensive formal authority, the findings show that enforcement has historically been shaped by political pressure, negotiated compliance, and regulatory forbearance. This reflects what Ekanayake et al. (2025) describe as the subversion of bank corporate governance, where formal regulatory requirements are maintained to preserve legitimacy while their disciplining effects are diluted. Strengthening regulatory independence therefore requires more than statutory autonomy. It demands institutional safeguards that limit discretionary political intervention, including fixed tenure protections for senior regulators, transparent enforcement criteria, and reduced scope for informal negotiation in supervisory decisions. These measures enhance enforcement credibility and constrain the conditions under which governance can be selectively overridden.

The study also highlights the need to reform board appointment processes and internal governance practices. Empirical evidence indicates that board independence is frequently compromised by political and social affiliations, undermining effective oversight. Consistent with Lassou and Hopper (2016) and Nakpodia and Adegbite (2018), the findings show that formal eligibility criteria alone are insufficient in contexts where elite networks dominate appointments. Echoing Ekanayake et al. (2025), this study suggests that governance reform must focus not only on who is appointed, but on how appointments are legitimised and protected through informal arrangements. Strengthening fit and proper assessments, enhancing disclosure of political connections, and empowering regulators to veto appointments where conflicts of interest are evident can reduce the scope for subverted compliance.

Another important implication concerns how reforms engage with informal networks. The findings demonstrate that informal relationships continue to shape lending decisions, risk management, and regulatory engagement. Rather than assuming that such networks can be eliminated, effective reform must seek to constrain their harmful effects while reducing incentives for misuse. As Hopper (2017) argues, reforms that ignore informal practices risk being absorbed into existing elite bargains. In line with Ekanayake et al. (2025), this study supports governance interventions that increase transparency around discretionary decisions, such as strengthened whistleblowing protections, confidential reporting mechanisms, and clearer accountability trails for politically sensitive transactions. These mechanisms raise the costs of subversion while preserving the formal legitimacy of governance systems.

The research also underscores the importance of adapting international governance standards to local political economy realities. While global frameworks such as Basel standards and corporate governance codes provide valuable benchmarks, the findings show that their effectiveness depends on how they interact with sociocultural legacies and power relations. This supports Uddin and Choudhury’s (2008) argument that transplanted governance models often fail when they overlook informal institutional dynamics. Consistent with Ekanayake et al. (2025), this study suggests that reform should prioritise enforcement consistency and institutional learning over the continual introduction of new formal rules that may be symbolically adopted but substantively undermined.

Finally, the findings point to the need for clearer industry wide standards on remuneration and accountability. Evidence from the Ghanaian banking sector indicates that compensation and reward systems are sometimes used to reinforce loyalty rather than performance, contributing to governance subversion. Developing sector wide remuneration guidelines linked to long term risk outcomes and supervisory assessments can reduce discretion and limit elite manipulation, reinforcing governance discipline (Kimani et al., 2021).

Overall, the policy and practice implications of this study emphasise that strengthening banking stability in Ghana requires reforms that recognise governance as a politically embedded process. By addressing the mechanisms through which formal governance is subverted rather than merely expanded, policymakers can design reforms that are more credible, enforceable, and resilient. In this way, the study contributes to a more realistic and context sensitive approach to banking sector reform in neopatrimonial settings. The next section will look at the study's limitations.

8.5 Limitations of the Study and Directions for Future Research

While this study offers substantial insights into bank governance and banking stability within Ghana's neopatrimonial context, it is subject to several limitations that should be acknowledged honestly and critically. Importantly, these limitations also generate productive avenues for future research rather than detracting from the study's contribution.

A primary limitation relates to the qualitative and interpretive methodology adopted. The study was grounded in an interpretive epistemological stance, which was appropriate for capturing the nuanced ways in which formal governance structures are reshaped by informal power relations. However, close engagement with participants inevitably introduces a degree of subjectivity in both data generation and interpretation (Eisenhardt and Graebner, 2007). Although this limitation was mitigated through triangulation using documentary analysis and multiple respondent categories, some interpretive bias remains inherent. Future research could address this by adopting mixed methods designs that combine qualitative interviews with quantitative surveys, enabling broader pattern identification while retaining contextual depth and supporting comparative and trend analysis across institutions (Grzymala Busse, 2010).

The study's focus on Ghana also represents both a strength and a limitation. The single country case study allowed for a deep, contextually rich analysis of governance dynamics, but it limits statistical generalisability to other settings (Yin, 2018). As with similar interpretive studies of corporate governance in neopatrimonial contexts, the aim here is not generalisation but transferability to settings with comparable institutional characteristics. In this respect, the study aligns with Ekanayake et al. (2025), who emphasise the value of contextual depth in revealing how governance is subverted and sustained through sociopolitical legacies. Future research could build on this by undertaking comparative studies across Sub Saharan African banking systems, such as Nigeria, Kenya, or Senegal, to examine both continuities and variations in neopatrimonial governance dynamics.

Cultural specificity constitutes a further limitation. Although the study demonstrates how cultural norms such as respect for authority, loyalty, and elite deference shape governance practices in Ghanaian banks, it does not engage in cross cultural comparison. Future research could explore how differences in colonial legacies, linguistic traditions, or cultural distance influence governance practices across African banking systems (Mkandawire, 2015). Such work would deepen understanding of how informal institutions interact with formal governance mechanisms across diverse sociocultural contexts.

Another limitation concerns access to regulatory authorities. While the research design sought extensive engagement with regulators, access constraints meant that only a limited number of regulatory interviews were conducted. As a result, the analysis relied more heavily on the perspectives of bank executives and directors, supplemented by regulatory documentation. Although this provided valuable insight into how regulation is experienced and negotiated in practice, future research would benefit from deeper engagement with regulatory actors to explore internal enforcement dilemmas, political pressure, and regulatory discretion more directly (Scott, 2001).

Finally, the study opens several promising directions for future research. In line with Ekanayake et al. (2025), future studies could examine the conditions under which governance disruption emerges and whether such disruption can be sustained and become path transformative rather than episodic. Longitudinal research could track how reforms evolve over time following crises and whether enforcement credibility strengthens or erodes. Further work could also examine how global regulatory standards such as Basel III are adapted, resisted, or selectively implemented in neopatrimonial contexts (Maggetti, 2024), as well as extend analysis beyond banking to other regulated sectors and industries.

Overall, while this study has inherent limitations, it provides a strong foundation for further theoretical and empirical inquiry. By encouraging comparative, mixed methods, longitudinal, and regulator focused research across diverse settings, the thesis contributes to a broader research agenda on governance, regulation, and institutional change in developing economies.

References

Aarstad, J., Haugland, S.A. and Greve, A. 2010. Performance spillover effects in entrepreneurial networks: Assessing a dyadic theory of social capital. **Entrepreneurship Theory and Practice**, 34(5), pp.1003-1020.

Abaidoo, R., Agyapong, E.K. and Boateng, K.F. 2023. Stability in the banking industry and commodity price volatility: perspective from developing economies. **Journal of Economic and Administrative Sciences**, 39(4), pp.988-1012.

Abdallah, M.I. 2015. Financial sector regulatory and supervisory framework in Ghana. **International Journal of Economics, Commerce and Management**, 3(5), pp.1043-1055.

Abdul Gafoor, C., Mariappan, V. and Thiyagarajan, S. 2018. Board characteristics and bank performance in India. **IIMB Management Review**, 30(2), pp.160-167.

Abdulai, A.G. 2019. Rethinking elite commitment to political settlements and economic transformation in Ghana. **European Journal of Development Research**, 31(2), pp.268–287.

Abdullah, S.N. and Valentine, B. 2009. Fundamental and ethics theories of corporate governance. **Middle Eastern Finance and Economics**, 4, pp.88–96.

Abernethy, M.A., Lillis, A.M., Brownell, P. and Carter, P. 2001. Product diversity and costing system design choice: field study evidence. **Management Accounting Research**, 12(3), pp.261-279.

Abhishek, N., Suraj, N., Rahiman, H.U., Nawaz, N., Kodikal, R., Kulal, A. and Raj, K. 2024. Digital transformation in accounting: elevating effectiveness across accounting, auditing, reporting and regulatory compliance. **Journal of Accounting & Organizational Change**, (ahead-of-print).

Aboagye, A.Q.Q. 2020. Ghanaian Banking Crisis of 2017-2019 and Related Party Transactions. **African Journal of Management Research**, 27(1), pp.2-19.

Aboagye AQ, Otieku J. Are Ghanaian MFIs' performance associated with corporate governance? **Corporate Governance: The International Journal of Business in Society**. 2010 Jun 15;10(3):307-20.

Abou-El-Sood, H. 2016. Corporate governance structure and capital adequacy: implications to bank risk taking. **International Journal of Managerial Finance**, 13(2), pp.165-185.

Abou-El-Sood, H. 2021. Board gender diversity, power, and bank risk taking. **International Review of Financial Analysis**, 75, p.101733.

Acharya, V.V. and Ryan, S.G., 2016. Banks' financial reporting and financial system stability. *Journal of Accounting Research*, *54*(2), pp.277-340.

Ackah, C. and Asiamah, J.P. 2016. Financial regulation in Ghana: Balancing inclusive growth with financial stability. In **Achieving financial stability and growth in Africa** (pp.107-121). Routledge.

Adams, J. 1996. Principals and agents, colonialists and company men: The decay of colonial control in the Dutch East Indies. **American Sociological Review**, 61(1), 12–28.

Adams, R. and Mehran, H. 2003. Is corporate governance different for bank holding companies?. **SSRN Electronic Journal**.

Adams, R. and Mehran, H. 2011. Bank board structure and performance: Evidence for large bank holding companies. **SSRN Electronic Journal**,.

Adams, R. and Mehran, H. 2012. Bank board structure and performance: Evidence for large bank holding companies. **Journal of Financial Intermediation**, 21(2), pp.243-267.

Adams, R.B. and Ferreira, D. 2007. A theory of friendly boards. **The Journal of Finance**, 62(1), pp.217-250.

Adams, R.B. 2012. Governance and the financial crisis. **International Review of Finance**, 12(1), pp.7-38.

Adeabah, D., Gyeke-Dako, A. and Andoh, C. 2019. Board gender diversity, corporate governance and bank efficiency in Ghana: a two stage data envelope analysis (DEA) approach. Corporate Governance: **The International Journal of Business in Society**, 19(2), pp.299-320.

Adebayor, A. 1993. **African with the World**: Beyond Dispossession and Dependence, Zed Book, London.

Adegbite, E. 2015. Good corporate governance in Nigeria: Antecedents, propositions and peculiarities. **International Business Review**, 24, 319-330.

Adegbite, E., and Nakpodia, F. 2018. Internal and external corporate governance mechanisms in African banks. **International Journal of Managerial Finance**, 14(2), 123-146.

Adegbite, E. 2015. Good corporate governance in Nigeria: Antecedents, propositions and peculiarities. **International Business Review**, 24(2), pp.319-330.

Adegbite, E., Amaeshi, K. and Nakajima, C. 2013. Multiple influences on corporate governance practice in Nigeria: agents, strategies and implications. **International Business Review**, Vol. 22 No. 1, pp.524-538.

Adeyemi, M. B. 2010. Cultural influence militating against effective data collection in the field: The case of two African countries. **The Anthropologist**, 12, 245-249

Adeyemo, F. 2021. **Banking Regulation in Africa**: The case of Nigeria and other emerging economies. Routledge.

Adler, P.S. and Kwon, S.W. 2002. Social capital: Prospects for a new concept. **Academy of Management Review**, 27(1), pp.17-40.

Adomako-Kwakye, C. 2024. Poor institutional governance: The bane of managing Ghana's oil revenue. **African Journal of International and Comparative Law**, 32(3), pp.357-381.

Adu-Amoah, A., Tsamenyi, M. and Mensah Onumah, J. 2008. The influence of social and political relations on corporate governance systems: The case of rural banks in Ghana. In

Corporate Governance in Less Developed and Emerging Economies (pp.311-333). Emerald Group Publishing Limited.

Adusei, M. 2011. Board structure and bank performance in Ghana. **Journal of Money, Investment and Banking**, 19(1), pp.72-84.

Affum, F. and Obiri, K.A. 2020. Ghana's banking sector cleanup: Its repercussions on customer attitudes towards banking. **Journal of Management Marketing and Logistics**, 7(4), pp.234-248.

Afolabi, A.A. 2015. Examining corporate governance practices in Nigerian and South African firms. **European journal of accounting auditing and finance research**, 3(1), pp.1-20.

Agarwal, R., Akter, N., Rahman, S. and Chia, R. 2021. Board Composition, Risk Governance, and Bank Performance: Evidence from an Emerging Economy. Corporate Governance: **The International Journal of Business in Society**, 21(2), 346-363.

Agarwal, R., Lucca, D., Seru, A. and Trebbi, F. 2021. Inconsistent regulators: Evidence from banking. **Quarterly Journal of Economics**, 136(3), pp.1547–1618.

Agarwal, S., Kamath, S., Subramanian, K. and Tantri, P. 2022. Board conduct in banks. **Journal of Banking & Finance**, 138, p.106441.Agbiji, O.M. and Swart, I. 2015. Religion and social transformation in Africa: A critical and appreciative perspective. **Scriptura: Journal for Contextual Hermeneutics in Southern Africa**, *114*(1), pp.1-20.

Aguilera, R.V. and Jackson, G., 2003. The cross-national diversity of corporate governance: Dimensions and determinants. *Academy of management Review*, *28*(3), pp.447-465.

Aguilera, R. V. and Crespi-Cladera, R. 2016. Global corporate governance: On the relevance of firms' ownership structure. **Journal of World Business**,51, pp.50–57

Aguilera, R.V., Filatotchev, I., Gospel, H., Jackson, G. 2008. An organizational approach to comparative corporate governance: Costs, contingencies, and complementarities. **Organization Science**, 19(3), pp.475-492.

Agyei-Mensah, B.K. and Buertey, S., 2019. Do culture and governance structure influence extent of corporate risk disclosure? **International Journal of Managerial Finance**, 15(3), pp.315-334.

Agyemang, J.K., Bardai, B.B. and Ntoah-Boadi, S. 2020. Corporate failure in the banking sector: The role of external auditors. **Research Journal of Finance and Accounting**, 11(4).

Agyemang-Mintah, P. and Schadewitz, H. 2019. Gender diversity and firm value: Evidence from UK financial institutions. I**nternational Journal of Accounting and Information Management**. [Online] 27 (1), 2–26.

Agyemang, O.S. and Castellini, M. 2015. Corporate governance in an emergent economy: A case of Ghana. **Corporate Governance**, 15(1), pp.52-84.

Agyenim-Boateng, C., Aboagye-Otchere, F. and Aboagye, A.A. 2020. Saints, demons, wizards, pagans, and prophets in the collapse of banks in Ghana. **African Journal of Management Research**, 27(1), pp.20-38.

Ahrens, T. and Chapman, C. 2004. Accounting for flexibility and efficiency: A field study of management control systems in a restaurant chain. **Contemporary Accounting Research**, 21(2), pp.271-301.

Aidoo, S., Nombare, E. and Boamah, J.Y. 2024. Board Size, Board Independence, Board Expertise and the Financial Performance of Listed Manufacturing Firms in Ghana: Does Board Commitment Play a Role? **Journal of Economics, Finance, and Accounting Studies**, *6*(2), p.49.

Al-Nasser Mohammed, S.A.S. and Muhammed, J. 2017. The relationship between agency theory, stakeholder theory and Shariah supervisory board in Islamic banking: An attempt towards discussion. **Humanomics**, 33(1), pp.75-83.

Al-Saidi, M. and Al-Shammari, B. 2013. Board composition and bank performance in Kuwait: An empirical study. **Managerial Auditing Journal**, *28*(6), pp.472-494.

Alam, M.K., Rahman, M.M., Runy, M.K., Adedeji, B.S. and Hassan, M.F. 2022. The influences of Shariah governance mechanisms on Islamic banks performance and Shariah compliance quality. **Asian Journal of Accounting Research**, 7(1), pp.2-16.

Alawattage, C. and Azure, J.D.C. 2022. Theorising the 'African problem' with governmentality and counter conduct. **African Accounting and Finance Journal**, 4(1), pp.14-28.

Allen, F., Ochere, I. and Senbet, L.M. 2011. African financial systems: A review. **Review of Development Finance**, Vol. 1 No. 2, pp.79-113.

Amah, E. 2012. Corporate culture and organisational effectiveness: A study of the Nigerian banking industry. **European Journal of Business and Management**, Vol. 4 No. 8, pp.212-229.

Aman, H., and Nguyen, P. 2008. Do stock prices reflect the corporate governance quality of Japanese firms? **Journal of the Japanese and International Economics**, 22, 647-662.

Amanamah, R.B. 2017. Benefits and challenges of international financial reporting standards adoption in Ghana: Accounts and business managers' perspective. **International Journal of Accounting and Financial Reporting**, 7(2), pp.178-193.

Amartey, L.A., Yu, M. and Chukwu-lobelu, O., 2019. Corporate governance in Ghana: An analysis of board accountability in Ghanaian listed banks. *Journal of Financial Regulation and Compliance*, *27*(2), pp.126-140.

Amenu-Tekaa, K.S. 2022. Financial sector regulatory and supervisory framework in Ghana-the pre and post 2017 banking crisis. **International Journal of Economics, Commerce and Management**, 10(1), pp.1-29.

Amoako, G.K. and Goh, M.K. 2015. Corporate governance practices of state-owned enterprises in Ghana: An Analysis. **IUP Journal of Corporate Governance**, 14(2).

Amoako-Agyei, E. 2009. Cross-cultural management and organizational behaviour in Africa. **Thunderbird International Business Review**, 51(4), pp.329-339.

Ampenberger, M., T. Schmid, A. K. Achleitner, and Kaserer, C. 2013. Capital structure decisions in family firms: Empirical evidence from a bank-based economy. **Review of Managerial Science**, 7(3), 247–275.

Andoh, J.A., Abugri, B.A. and Anarfo, E.B. 2023. Board characteristics and performance of listed firms in Ghana. **Corporate Governance: The International Journal of Business in Society**, 23(1), pp.43-71.

Andres, De, P. and Vallelado, E. 2008. Corporate governance in banking: The role of the board of directors. **Journal of Banking & Finance**, 32(12), pp.2570-2580.

Andrews, M. 2013. The Limits of Institutional Reform in Development: Changing Rules for Realistic Solutions. Cambridge University Press.

Antwi-Asare, T.O., and Addison, E.K.Y. 2000. Financial sector reforms and bank performance in Ghana. **Overseas Development Institute**, University of Ghana.

Appiah, K.O., Mensah, H.K., Amankwah-Amoah, J. and Agyapong, A. 2023. Does corporate governance matter in the failures of listed home-grown banks? **International Journal of Critical Accounting**, 13(2), pp.131-150.

Apriliyanti, I.D. and Randøy, T. 2019. Between politics and business: Boardroom decision making in state-owned Indonesian enterprises. **Corporate Governance: An International Review,** 27(3), pp.166-185.

Araral, E., Pak, A., Pelizzo, R. and Wu, X. 2019. Neo-patrimonialism and corruption: Evidence from 8,436 firms in 17 countries in Sub-Saharan Africa. **Public Administration Review**, 79(4), pp.580-590.

Arun, T. and Turner, J. 2004. Corporate governance of banks in developing economies: concepts and issues. **Corporate Governance**, 12(3), pp.371-377.

Aryeetey, E. and Nissanke, M. 1998. *Financial integration and development in Sub-Saharan Africa: A study of Ghana*. **Overseas Development Institute (ODI)**, Working Paper. London: ODI.

Atugeba, I.L.A. and Acquah-Sam, E. 2024. The nexus between corporate governance, political environments, and firm performance: A comparative study of Ghana and Kenya. **Corporate Governance**, ahead-of-print.

Asare, N., Aboagye-Otchere, F. and Onumah, J.M. 2023. Corporate board structures and intellectual capital: Evidence from banks in Africa. **Asian Journal of Economics and Banking**, 7(1), pp.146-163.

Aslam, E. and Haron, R. 2020. Does corporate governance affect the performance of Islamic banks? New insight into Islamic countries. **Corporate Governance: The International Journal of Business in Society**, 20(6), pp.1073-1090.

Atuahene, S.A., Yusheng, K., Benturn-Micah, G. and Aboagye, A.K. 2021. Impact of capital adequacy on Banks' Performance: Considering the Basel International Regulatory Framework for Banks. **Etikonomi Journal**, 19(1), pp.45-54.

Avezum, L., Huizinga, H. and Raes, L. 2022. The impact of bank regulation on firms' capital structure: Evidence from multinationals. **Journal of Banking & Finance**, 138, p.106459.

Babbie, E. 2010. **The Practice of Social Research** (12th ed.). Wadsworth.

Bach, D. C. 2011. Patrimonialism and neopatrimonialism: Comparative trajectories and readings. **Commonwealth & Comparative Politics**. [Online] 49 (3), 275–294.

Bailey, B. and Peck, S. 2013. Boardroom strategic decision-making style: Understanding the antecedents. **Corporate Governance: An International Review**, 21(2), pp.131-146.

Baily, K. and Peck, S. 2013. How boards work: Organizational design of boards. **Corporate Governance: An International Review**, 21(3), 224-239.

Bakre, O.M., Lauwo, S. and McCartney, S. 2017. Western accounting reforms and accountability in wealth redistribution in patronage based Nigerian society. **Accounting, Auditing and Accountability Journal,** 30(6), pp. 1288–1316.

Bank of Ghana. 2017. Banks and Specialized Deposit-Taking Institutions Act, 2016 (Act 930). Retrieved from https://www.bog.gov.gh/wp-content/uploads/2017/01/BANKS-ACT-930-2016.pdf

Bank of Ghana. 2018. Corporate Governance Directive for Banks in Ghana. Retrieved from https://www.bog.gov.gh/wp-content/uploads/2018/05/Final-Draft-Corporate-Governance-Directive-for-Banks-in-Ghana.pdf

Bank of Ghana. 2020. Financial Stability Report. Retrieved from https://www.bog.gov.gh/wp-content/uploads/2020/07/FSR-2020_FINAL.pdf

Bank of Ghana. 2020) Banking Sector Report. Available at: https://www.bog.gov.gh/wp-content/uploads/2020/03/Banking-Sector-Report-January-2020.pdf (Accessed: November 10, 2022).

Banks, S. 2013. Negotiating personal engagement and professional accountability: Professional wisdom and ethics work. **European Journal of Social Work**, *16*(5), pp.587-604.

Barako, D. and Tower, G. 2007. Corporate governance and bank performance: Does ownership matter? Evidence from the Kenyan banking sector. **Corporate Ownership and Control**, 4(2), pp.133-142.

Barry, T.A., Lepetit, L. and Strobel, F. 2016. Bank ownership structure, lending corruption and the regulatory environment. **Journal of Comparative Economics**, 44(3), pp.732-751.

Barth, J., Lin, C., Ma, Y., Seade, J. and Song, F. 2013. Do bank regulation, supervision and monitoring enhance or impede bank efficiency? **Journal of Banking & Finance**, 37(8), pp.2879-2892.

Barth, J.R., Caprio, G. and Levine, R. 2006. Rethinking Bank Regulation, Cambridge Books, **Cambridge University Press**, Cambridge.

Barth, J.R., Caprio, G. and Levine, R. 2013. Bank regulation and supervision in 180 countries from 1999 to 2011. **Journal of Financial Economic Policy**, Vol. 5 No. 2, pp.111-219.

Barth, J.R., Caprio, G. and Levine, R. 2012. The evolution and impact of bank regulations. **World Bank Policy Research, working paper**, (6288).

Basel Framework. 2017. **Basel III: A Global Regulatory Framework for More Resilient Banks and Banking Systems**. Retrieved from https://www.bis.org/bcbs/publ/d417.pdf

Bats, J.V. and Houben, A.C. 2020. Bank-based versus market-based financing: Implications for systemic risk. **Journal of Banking & Finance**, 114, p.105776.

Baue, B. and Murninghan, M. 2011. The Accountability Web: Weaving corporate accountability and interactive technology. **The Journal of Corporate Citizenship**, (41),.

Baysinger, B.D. and Butler, H.N. 1985. Corporate governance and the board of directors: Performance effects of changes in board composition,. **Economics, & Organization**, Spring, 1(1), pp.101–124.

Beasley, M.S. 1996. An empirical analysis of the relation between the board of director composition and financial statement fraud. **The Accounting Review,** 71 (4), 443–465.

Bebchuk, L. A., A. Cohen and S. Hirst 2017. The agency problems of institutional investors, **Journal of Economic Perspectives**, 31, pp.89–102

Bebeji, A., Mohammed, A. and Tanko, M. 2015. The effect of board size and composition on the financial performance of banks in Nigeria. *African Journal of Business Management*, *9*(16), pp.590-598.

Becht, M., Bolton, P. and Roell, A. 2011. Why bank governance is different. **Oxford Review of Economic Policy**, 27(3), pp.437-463.

Beck, T., Maimbo, S.M., Faye, I. and Triki, T. 2011. *Financing Africa: Through the Crisis and Beyond*. Washington, DC: World Bank.

Behr, P., and A. Guttler 2007. Credit risk assessment and relationship lending: An empirical analysis of german small and medium-sized enterprises. **Journal of Small Business Management**45(2), 194–213.

Belkhir, M. 2008. Board of directors' size and performance in the banking industry. **SSRN Electronic Journal**,.

Belkhir, M. 2009. Board of directors' size and performance in the banking industry. **International Journal of Managerial Finance**, *5*(2), pp.201-221.

Beltratti, A. and Stulz, R.M. 2012. The credit crisis around the globe: Why did some banks perform better? **Journal of Financial Economics**, Vol. 105 No. 1, pp.1-17.

Bergen, M., Dutta, S., Walker, O. C. 1992. Agency relationships in marketing: A review of the implications and applications of agency and related theories. **Journal of Marketing**, 56(3), 1–24.

Berger, A., Clarke, G., Cull, R., Klapper, L. and Udell, G. 2005. Corporate governance and bank performance: A joint analysis of the static, selection, and dynamic effects of domestic, foreign, and state ownership. **Journal of Banking & Finance**, 29 (8-9), pp.2179-2221.

Berger, A., Kick, T. and Schaeck, K. 2014. Executive board composition and bank risk taking. **Journal of Corporate Finance**, 28, pp.48-65.

Berger, A.N. and Di Patti, E.B. 2006. Capital structure and firm performance: A new approach to testing agency theory and an application to the banking industry. **Journal of Banking & Finance**, 30(4), pp.1065-1102.

Berger, A.N., Kick, T. and Schaeck, K. 2014. Executive board composition and bank risk taking. **Journal of Corporate Finance**, 28, pp.48-65.

Berger, A.N., Kick, T. and Schaeck, K. 2014. Executive board composition and bank risk taking. **Journal of corporate finance**, 28, pp.48-65.

Berle, A., Means, G. 1932. **The modern corporation and private property**. New York, NY: Macmillan.

Bernile, G., Bhagwat, V. and Yonker, S. 2018. Board diversity, firm risk, and corporate policies. **Journal of Financial Economics**, 127(3), pp.588-612.

Besong, S., Okanda, T. and Ndip, S. 2022. An empirical analysis of the impact of banking regulations on sustainable financial inclusion in the CEMAC region. **Economic Systems**, 46(1), p.100935.

Beuving, J.J. 2011. The Economy of Ghana: Analytical perspectives, growth and poverty edited by E. Aryeetey and R. Kanbur Oxford: James Currey, 2008. Pp.424,£ 50.00 (hbk). **The Journal of Modern African Studies**, 49(1), pp.169-170.

Bezemer, P.J., Peij, S., De Kruijs, L. and Maassen, G. 2014. How two-tier boards can be more effective. **Corporate Governance**, 14(1), pp.15-31.

Bhatia, M. and Gulati, R. 2021. Board governance and bank performance: A meta- analysis. **Research in International Business and Finance**, 58, p.101425.

Bhattacharya, S., Plank, M., Strobl, G. and Zechner, J. 2002. Bank capital regulation with random audits. **Journal of Economic Dynamics and Control**, Vol. 26 No. 7, pp.1301-1321.

Bhimavarapu, V., Rastogi, S. and Kanoujiya, J. 2022. Ownership concentration and its influence on transparency and disclosures of banks in India. **Corporate Governance: The International Journal of Business in Society**.

Bidabad, B. and Sherafati, M. 2019. Bank information disclosure, financial transparency and corporate governance in rastin banking. **International Journal of Shari'ah and Corporate Governance Research**, 2(1), pp.1-13.

Birindelli G, Intonti M, Bilancia M, La Torre M, Malorni M. 2015. Stakeholder Engagement: Some Empirical Evidence from a sample of European Banks. **Research in Business and Management** 2(2): 11–33

Bis.org. 2017. **Basel Framework**. [online] Available at: <https://www.bis.org/basel_framework/> [Accessed 24 April 2022].

Blair, M.M. 1995. **Ownership and Control, the Brookings Institution**. Washington, DC, pp.35-51.

Boachie, C. 2021. Corporate governance and financial performance of banks in Ghana: The moderating role of ownership structure. **International Journal of Emerging Markets**, 18(3), pp.607-632.

Boachie, C. 2023. Corporate governance and financial performance of banks in Ghana: The moderating role of ownership structure**. International Journal of Emerging Markets**. [Online] 18 (3), 607–632 Boadi, E.K., Li, Y. and Lartey, V.C. 2015. Determinants of bank deposits in Ghana: Does interest rate liberalization matters?. **Modern Economy**, 6(09), p.990.

Boadi, I., Dziwornu, R. and Osarfo, D. 2022. Technical efficiency in the Ghanaian banking sector: does boardroom gender diversity matter?. **Corporate Governance: The International Journal of Business in Society**, 22(5), pp.1133-1157.

Boafo Arthur, K. 2007. **Ghana One Decade of the Liberal State**. London: Zed Books.

Bøås, M. 2001. Liberia and Sierra Leone—dead ringers? The logic of neopatrimonial rule. **Third World Quarterly**, 22(5), pp.697-723.

Boateng, A.A. 2015. An examination of challenges and prospects of microfinance institutions in Ghana. **Journal of economics and sustainable development**, 6(4), pp.52-60.

Bog.gov.gh. 2018. [online] Available at: <https://www.bog.gov.gh/wp-content/uploads/2019/07/Fit-and-Proper-Directive.pdf> [Accessed 11 September 2022].

Boiral, O. and Heras-Saizarbitoria, I. 2020. Sustainability reporting assurance: Creating stakeholder accountability through hyperreality?. **Journal of Cleaner Production**, 243, p.118596.

Bokpin, G.A. and Isshaq, Z., 2009. Corporate governance, disclosure and foreign share ownership on the Ghana Stock Exchange. *Managerial Auditing Journal*, *24*(7), pp.688-703.

Bokpin, G.A. 2013. Ownership structure, corporate governance and bank efficiency: an empirical analysis of panel data from the banking industry in Ghana. **Corporate Governance: The International Journal of Business in Society**, 13(3), pp.274-287.

Bokpin, G.A. 2016. Bank governance, regulation and risk-taking in Ghana. **Journal of African Business**, 17(1), pp.52-68. doi: 10.1080/15228916.2016.1106851.

Bokpin, G.A. 2013. Ownership structure, corporate governance and bank efficiency: an empirical analysis of panel data from the banking industry in Ghana. **Corporate Governance: The International Journal of Business in Society**, 13(3), pp.274-287.

Bokpin, G.A. 2016. Bank governance, regulation and risk-taking in Ghana. **Journal of African Business**, 17(1), pp.52-68.

Bokpin, G.A. 2016. Bank governance, regulation and risk-taking in Ghana. **Journal of African Business**, 17(1), pp.52-68.

Bokpin, G.A. and Isshaq, Z. 2009. Corporate governance, disclosure and foreign share ownership on the Ghana Stock Exchange. **Managerial Auditing Journal**, *24*(7), pp.688-703.

Bonga, W.G. 2021. Exploring the impact of neopatrimonialism dominance in Africa. **Dynamic Research Journals' Journal of Economics & Finance**, 6(1), pp.17-23.

Boone, A.L., Field, L.C., Karpoff, J.M., Raheja, C.G. 2007. The determinants of corporate board size and composition: An empirical analysis. **Journal of Financial Economics** 85 (1), 66–101.

Booth, D. and Cammack, D. 2013. **Governance for development in Africa: Solving collective action problems.** London: Zed Books.

Bosch, H. 1995. **The Director at Risk: Accountability in the Boardroom.** Sydney: Pitman.

Boyer, P.C. and Ponce, J. 2012. Regulatory capture and banking supervision reform. **Journal of Financial Stability**, 8(3), pp.206-217.

Bratton, M. and Van de Walle, N. 1997. **Democratic experiments in Africa: Regime transitions in comparative perspective**. Cambridge University Press.

Braun, V. and Clarke, V. 2006. Using thematic analysis in psychology. **Qualitative Research in Psychology**, 3(2), 77–101. doi: 10.1191/1478088706qp063oa

Braun, V. and Clarke, V. 2020. One size fits all? What counts as quality practice in (reflexive) thematic analysis? **Qualitative Research in Psychology**, 18(3), pp.328-352.

Braun, V., and Clarke, V. 2020. Comparing reflexive thematic analysis and other pattern-based qualitative analytic approaches. Received: 16 August 2020 | Revised: 27 September 2020 | Accepted: 28 September 2020. DOI: 10.1002/capr.12360. 2020 **British Association for Counselling and Psychotherapy**.

Bratton, M. and van de Walle, N. 1994. Neo-patrimonial regimes and political transitions in Africa", **World Politics**, Vol. 46 No. 4, pp.453-489.

Bratton, M. and Van de Walle, N. 1997. **Democratic Experiments in Africa Regime Transitions in Comparative Perspective**. Cambridge: Cambridge University Press.

Bridges, C.M., Harrison, J.A. and Hay, D.C. 2022. The ungreening of integrated reporting: a reflection on regulatory capture. **Meditari Accountancy Research**, 30(3), pp.597-625.

Brogi, M. and Lagasio, V. 2019. Do bank boards matter? A literature review on the characteristics of banks' Board of Directors. **International Journal of Business Governance and Ethics**, *13*(3), pp.244-274.

Buallay, A. and Al-Ajmi, J. 2019. The role of audit committee attributes in corporate sustainability reporting. **Journal of Applied Accounting Research**, 21(2), pp.249–264. Available at: https://doi.org/10.1108/jaar-06-2018-0085.

Burrell, G. and Morgan, G. (979. **Sociological paradigms and organizational analysis: Elements of the sociology of corporate life**. Heinemann.

Burton, A. and Jennings, M. 2007. Introduction: The emperor's new clothes? Continuities in governance in late colonial and early postcolonial East Africa. **The International Journal of African Historical Studies**, 40(1), pp.1-25.

Calder-Wang, S. and Gompers, P. 2021. And the children shall lead: Gender diversity and performance in venture capital. **Journal of Financial Economics**, 142(1), pp.1-22.

Caprio, G., Laeven, L. and Levine, R. 2007. Governance and bank valuation. **Journal of Financial Intermediation**, 16(4), pp.584-617.

Carlini, F., Cucinelli, D., Previtali, D. and Soana, M. 2020. Don't talk too bad! Stock market reactions to bank corporate governance news. **Journal of Banking & Finance**, 121, p.105962.

Carson, E. 2002. Factors associated with the development of board sub-committees. *Corporate Governance: An International Review*, 10(1), pp.4–18.

Carter, C. and Little, S. 2007. The impact of empirical research in management accounting: A review and analysis. **Journal of Management Accounting Research**, 19(1), 45-81.

Carter, D.A., Simkins, B.J. and Simpson, W.G. 2003. Corporate governance, board diversity, and firm value. **Financial Review**, 38(1), pp.33-53.

Celik, S. and Isaksson, M. 2014. Institutional investors and ownership engagement. OECD Journal: **Financial Market Trends**, 2013(2), pp.93-114.

Chaganti, R.S., Mahajan, V. and Sharma, S., 1985. Corporate board size, composition and corporate failures in retailing industry [1]. *Journal of management studies*, *22*(4), pp.400-417.

Chakrabarty, S. 2009. The influence of national culture and institutional voids on family ownership of large firms: A country level empirical study. **Journal of International Management**, 15(1), pp.32-45.

Chanda, S., Burton, B. and Dunne, T. 2017. The nature and potential of corporate governance in developing countries: Zambian perceptions. **Accounting, Auditing & Accountability Journal**, 30(6), pp.1257-1287.

Chabal, P. and Daloz, J.P. 1999. ***Africa Works: Disorder as Political Instrument***. Oxford: James Currey.

Erdmann, G. and Engel, U. 2007. Neopatrimonialism revisited: Beyond a catch-all concept. ***GIGA Working Paper No. 16***, German Institute of Global and Area Studies.

Chapra, M.U. 2007. **The case against interest: Is it compelling?** Northampton: Edward Elgar.

Chapra, M.U. 2007. Challenges facing the Islamic financial industry. **In Handbook of Islamic Banking**. Edward Elgar Publishing.

Cheffins, B.R. 2010. The stewardship code's achilles' heel. **The Modern Law Review**, 73(6), pp.1004-1025.

Chenhall, R. H. 2003. Management control systems design within its organizational context: Findings from contingency-based research and directions for the future. **Accounting, Organizations and Society**, 28(2-3), pp.127-168.

Chenhall, R.H. and Langfield-Smith, K. 2003. Performance measurement and reward systems, trust, and strategic change. **Journal of Management Accounting Research**, 15(1), pp.117-143.

Chernobai, A., Jorion, P., Yu, F. 2011. The Determinants of operational risk in US financial institutions. **Journal of Financial and Quantitative Analysis** 46 (6), 1683–1725

Choi, S. and Hasan, I. 2005. Ownership, Governance, and Bank Performance: Korean Experience. **Financial Markets, Institutions and Instruments**, 14(4), pp.215-242.

Christopher, J. 2012. Governance paradigms of public universities: An international comparative study. **Tertiary Education and Management**, 18(4), pp.335-351.

Chua, W. F. 1986. Radical developments in accounting thought. **The Accounting Review**, 61(4), 601-632.

Čihàk, M. and Tieman, A. 2007. Assessing current prudential arrangements. In Decressin, J., Faruqee, H. and Fonteyne, W. (Eds), Integrating Europe's Financial Markets, **International Monetary Fund**, Washington, DC, pp.171-198.

Citinewsroom 2021. Baffour Awuah pegs job losses after banking sector clean-up at 3,000. Citinewsroom. Available at: https://citinewsroom.com/2021/02/baffour-awuah-pegs-job-losses-after-banking-sector-clean-up-at-3000/ (Accessed: October 31, 2022).

Citinewsroom. 2021. Over 3,000 bank workers lost their jobs due to banking sector cleanup – Minister. Retrieved from https://citinewsroom.com/2021/04/over-3000-bank-workers-lost-their-jobs-due-to-banking-sector-cleanup-minister/

Claessens, S. and Fan, J.P.H. 2002. Corporate governance in Asia: A survey. **International Review of Finance,** 3(2), pp.71–103.

Claessens, S. and Yurtoglu, B.B. 2013. Corporate governance in emerging markets: A survey. **Emerging Markets Review**, 15, pp.1-33.

Clapham, C. 1985. **Third World Politics**: An Introduction, Helm, London

American Bar Association. Committee on Corporate Laws and American Bar Association. Section of Business Law, 2007. Corporate director's guidebook. American Bar Association.

Corbetta, P. 2003. **Social Research: Theory, Methods and Techniques.** London, England: SAGE

Correa, R. and Goldberg, L. 2020. Bank Complexity, Governance, and Risk. **SSRN Electronic Journal**.

Craig, V.V. 2004. The changing corporate governance environment: Implications for the banking industry. **FDIC Banking Review**, 16, p.121.

Daily, C. M., Dalton, D. R., and Rajagopalan, N. 2003. Governance through ownership: Centuries of practice, decades of research. **Academy of Management Journal**, 46(2), 151–158.

Dalton, D.R., Daily, C.M., Johnson, J.L. and Ellstrand, A.E. 1999. Number of directors and financial performance. A meta-analysis. **Academy of Management Journal** 42 (6), 674–686.

Damette, O. and Kouki, I. 2022. Political influence and banking performance: Evidence from the African countries. **The Quarterly Review of Economics and Finance**, 84, pp.200-207.

Davis, G.F. 2008. A new finance capitalism? Mutual funds and ownership re-concentration in the United States. **European Management Review**, 5(1), pp.11-21.

Debrah, E., Preko, A. and Ampadu, S. 2022. Examining the effect of board size on credit risk of universal banks in Ghana. **Cogent Business & Management**, *9*(1), p.2157100.

De Haan, J. and Vlahu, R. 2016. Corporate governance of banks: A survey. **Journal of Economic Surveys**, 30(2), pp.228-277.

De La Cruz, A., Medina, A. and Tang, Y. 2019. Owners of the world's listed companies. De La Cruz, A., A. Medina and Y. Tang 2019. **Owners of the World's Listed Companies, OECD Capital Market Series**, Paris.

De Sousa, R.R.P. and Cuadrado, J. 2023. Neopatrimonialism in Africa: A review of concepts, practices and implications. **Africa Review**, 15(3), pp.316-337.

Decker, C. 2016. Stakeholders' impact on turnaround performance: The case of German savings banks. **Journal of Small Business Management**, 56(4), pp.534-554.

Delis, M.D. and Staikouras, P.K. 2011. Supervisory effectiveness and bank risk. **Review of Finance**, Vol. 15 No. 3, pp.511-543.

Demb, A. and Neubauer, F.F. 2019. The corporate board: Confronting the paradoxes. **In Corporate Governance** (pp.303-314). Gower.

Dembo, A. and Rasaratnam, S. 2014. Corporate governance and disclosure in nigeria: An empirical study. **Procedia - Social and Behavioral Sciences**, 164, pp.161-171.

Denzin, N. K. and Lincoln, Y. S. (Eds.). 2018. **The SAGE Handbook of Qualitative Research**. SAGE Publications.

Dermine, J. and D. Schoenmaker. 2010. In Banking, is Small Beautiful? **Journal of Financial Markets, Institutions and Instruments,**19:1:1–19.

Dermine, J. 2013. Bank corporate governance, beyond the global banking crisis. **Financial Markets, Institutions & Instruments**, 22(5), pp.259-281.

DEY, A. 2008. Corporate governance and agency conflicts. **Journal of Accounting Research**.

Dinh, T.Q. and Calabrò, A. 2019. Asian family firms through corporate governance and institutions: A systematic review of the literature and agenda for future research. **International Journal of Management Reviews**, 21(1), pp.50-75.

Donaldson, L. and Davis, J.H. 2019. Boards and company performance-research challenges the conventional wisdom. **Corporate Governance**, pp.319-328.

Donnir, S. and Tornyeva, K. 2024. Mediating effect of corporate sustainability on corporate governance and performance of banks in Ghana: A post banking crisis perspective. **Cogent Business & Management**, 11(1), p.2297480.

Dooms, M. 2019. Stakeholder management for port sustainability: Moving from adhoc to structural approaches. **In Green ports** (pp.63-84). Elsevier.

Easterby-Smith, M., Thorpe, R., and Jackson, P. 2012. **Management Research**. London, England: SAGE

Edmans, A. and G. Manso 2011. Governance through trading and intervention: A theory of multiple blockholders. **The Review of Financial Studies**,24, pp.2395–2428

Efunniyi, C.P., Abhulimen, A.O., Obiki-Osafiele, A.N., Osundare, O.S., Agu, E.E. and Adeniran, I.A. 2024. Strengthening corporate governance and financial compliance: Enhancing accountability and transparency. **Finance & Accounting Research Journal, 6(8)**, pp.1597-1616.

Ehikioya, B. 2009. Corporate governance structure and firm performance in developing economies: evidence from Nigeria. Corporate Governance: **The International Journal of Business in Society**, 9(3), pp.231-243.

Eisenberg, T., Sundgren, S., Wells, M. 1998. Larger board size and decreasing firm value in small firms. **Journal of Financial Economics** 48, 35–54.

Eisenstadt, S. N. 1973). **Traditional Patrimonialism and Modern Neo-patrimonialism**. London: SAGE.

Elbashir, M. Z., Collier, P. A., Sutton, S. G., Davern, M. J., and Leech, S. A. 2011. Enhancing the business value of business intelligence: The role of social capital and co-creation. **International Journal of Accounting Information Systems**, 12(4), pp.317-333.

Elbashir, M.Z., Collier, P.A. and Sutton, S.G. 2011. The role of organizational absorptive capacity in strategic use of business intelligence to support integrated management control systems. **The Accounting Review**, 86(1), pp.155-184.

Ellis, L., Haldane, A. and Moshirian, F. 2014. Systemic risk, governance and global financial stability. **Journal of Banking & Finance**, *45*, pp.175-181.

Erdmann, G. and Engel, U. 2007. Neo-patrimonialism reconsidered: critical review and elaboration of an elusive concept. **Commonwealth & Comparative Politics**, Vol. 45 No. 1, pp.95-119.

Erdmann, G. and Engel, U. 2006. **Neopatrimonialism Revisited-Beyond a Catch-all Concept** (No. 16). GIGA working papers.

Erdmann, G. and Engel, U. 2007. Neopatrimonialism reconsidered: Critical review and elaboration of an elusive concept. **Commonwealth & Comparative Politics**, 45(1), pp.95-119.

Essilfie, R.M. 2023. **Corporate social responsibility, corporate governance and financial performance of banks in Ghana** (Doctoral dissertation, University of Cape Coast).

European Commission, 2010. **Corporate Governance in Financial Institutions and Remuneration Policies**. Green paper available at: http://ec.europa.eu/internal_market/company/modern/corporate_governance_in_financial_institutions_en.htm

Ezedike, J.I. 2016. A socio-religious analysis of the limitations of women in Eastern part of Nigeria. **International Journal of Progressive and Alternative Education**, 2(1), pp.341-352.

Faccio, M. and Lang, L. 2002. The ultimate ownership of Western European corporations. **Journal of Financial Economics**, 65(3), pp.365-395.

Fama, E. 1985. What's different about banks? **Journal of Monetary Economics**,15:29–39.

Fama, E. and Jensen, M. 1983. Separation of ownership and control. **The Journal of Law and Economics**, 26(2), pp.301-325.

Fama, E. 1980. Agency problems and the theory of the firm. **Journal of Political Economy**, 88(2), pp.288-307.

Fereday, J. and Muir-Cochrane, E. 2006. Demonstrating rigor using thematic analysis: A hybrid approach of inductive and deductive coding and theme development. **International Journal of Qualitative Methods**, 5(1), pp.80-92.

Ferrarini, G. 2017. Understanding the role of corporate governance in financial institutions: A research agenda. **European Corporate Governance Institute (ECGI)-Law Working Paper**, (347).

Ferrarini, G. 2015. CRD IV and the mandatory structure of bankers' pay. **ECGI-Law Working Paper,** (289).

Fiador, V. 2023. Corporate governance, gender diversity and risk-taking behaviour of banks in an emerging economy–some empirical evidence from Ghana. Gender in Management: **An International Journal**, 38(1), pp.57-75.

Fiador, V. and Sarpong-Kumankoma, E. 2021. Does corporate governance explain the quality of bank loan portfolios? Evidence from an emerging economy. **Journal of Financial Economic Policy**, 13(1), pp.31-44.

Fichtner, J., Heemskerk, E.M. and Garcia-Bernardo, J. 2017. Hidden power of the Big Three? Passive index funds, re-concentration of corporate ownership, and new financial risk. **Business and Politics**, 19(2), pp.298-326.

Field, L., Souther, M. and Yore, A. 2020. At the table but cannot break through the glass ceiling: Board leadership positions elude diverse directors. **Journal of Financial Economics**, 137(3), pp.787-814.

Filatotchev, I., and Wright, M. 2017. Methodological issues in governance research: An editor's perspective. Corporate Governance: **An International Review**, 25 (6), 454–460.

Filatotchev, I., and S. Toms 2006. Corporate Governance and Financial Constraints on Strategic Turnarounds. **Journal of Management Studies** 43, 407–433.

Flick, U. 2014. **An Introduction to Qualitative Research**. London, England: SAGE.

Fogel, K., Ma, L. and Morck, R. 2021. Powerful independent directors. **Financial Management**, 50(4), pp.935-983.

Gandhi, P. and Lustig, H., 2015. Size Anomalies in U.S. Bank Stock Returns. **The Journal of Finance**, 70(2), pp.733-768.

García-Meca, E., García-Sánchez, I. and Martínez-Ferrero, J. 2015. Board diversity and its effects on bank performance: An international analysis. **Journal of Banking & Finance**, 53, pp.202-214.

Gardazi, S. S. N., Hassan, A. F. S. and Johari, J. B. 2020. Board of directors attributes and sustainability performance in the energy industry. **The Journal of Asian Finance, Economics, and Business**, 7(12), 317–328. https://doi.org/10.13106/jafeb.2020.vol7.no12.317

Ge W., Drury, D. H., Fortin S., Liu, F. and Tsang, D. 2010. Value relevance of disclosed related party transactions. **Advances in Accounting** (online) doi.10.1016/j.adiac. (4 March 2010)

Ghosh, S. and Ansari, J. 2018. Board characteristics and financial performance: Evidence from Indian cooperative banks. **Journal of Co-operative Organization and Management**, 6(2), pp.86-93.

Giese, J., Nelson, B. Tanaka, M. and Tarashev, N. 2013. How could macroprudential policy affect financial system resilience and credit? Lessons from the literature. SSRN.

Gillan, S. 2006. Recent developments in corporate governance: An overview. **Journal of Corporate Finance**, 12, 381-402.

Gillan, S. and Starks, L. 2003. Corporate governance, corporate ownership, and the role of institutional investors: **A Global Perspective. SSRN Electronic Journal**,.

Girard C, Sobczak A. 2012. Towards a Model of Corporate and social stakeholder Engagement: Analyzing the Relations Between a French Mutual Bank and Its Members. **Journal of Business Ethics**107: 215–225.

Gomez, C. and Sanchez, J. I. 2005. Human resource control in MNCs: A study of the factors influencing the use of formal and informal controls. **International Journal of Human Resource Management**, 16(10), pp.1847-1861.

Gomez, P. and Russell, D. 2005, May. Boards of Directors in an era of corporate scandal: An examination of the question of motivation of non-executive Directors. **In Euram Conference**, München, Germany.

Gondwe, S., Gwatidzo, T. and Mahonye, N. 2022. Bank regulation and risk-taking in sub-Sahara Africa. **Journal of Financial Regulation and Compliance**,.

Gordon, E.A., Henry, E. and Palia, D. 2004. Related party transactions and corporate governance. **In Corporate governance** (pp.1-27). Emerald Group Publishing Limited.

Green, C. and Homroy, S. 2018. Female directors, board committees and firm performance. **European Economic Review**, 102, pp.19-38.

Griffith, S.J. 2015. Corporate governance in an era of compliance. **Wm. & Mary L**. Rev., 57, p.2075.

Group, A. 2022. Economic & Financial Governance. [online] **African Development Bank - Building Today, a Better Africa Tomorrow**. Available at: <https://www.afdb.org/en/topics-and-sectors/sectors/economic-financial-governance> [Accessed 24 April 2022].

Guobadia, A. 2000. Protecting minority and public interests in Nigeria company law: the corporate affairs commission as a corporations ombudsman. **International Company Law Annual**, 1, p.81.

Gwarzo, M. L. 2017. Corporate Governance and the Economic Development of Nigeria. International **Journal of Economics, Commerce and Management**, 5(2), 19-30.

Hammond, T., Knott, J. 1996. Who controls the bureaucracy? Presidential power, congressional dominance, legal constraints, and bureaucratic autonomy in a model of multi-institutional policymaking. **Journal of Law, Economics, and Organization**, 12(1), 119–166.

Haniffa, R. and Hudaib, M. 2006. Corporate governance structure and performance of Malaysian listed companies. *Journal of Business Finance and Accounting*, 33(7–8), pp. 1034–1062.

Hansmann, H. and Kraakman, R. 2017. The end of history for corporate law. **In Corporate governance** (pp.49-78). Gower.

Harnois, Y.G. and Gagnon, S. 2023. Killing a country and getting away with it: Neopatrimonialism and incurable corruption by political elites linked to international development aid. **Journal of Developing Societies**, 39(3), pp.289-326.

Haw, I.M., Ho, S.S., Hu, B. and Wu, D. 2010. Concentrated control, institutions, and banking sector: An international study. **Journal of Banking & Finance**, 34(3), pp.485-497.

Hawley, J.P. and Lukomnik, J. 2018. The third, system stage of corporate governance: **Why Institutional Investors Need to Move Beyond Modern Portfolio Theory** [online]

Hendry, J., Sanderson, P., Barker, R. and Roberts, J. 2006. Owners or traders? Conceptualizations of institutional investors and their relationship with corporate managers. **Human Relations**, 59(8), pp.1101-1132.

Heron, J. 1998. Sacred science: Person-centred inquiry into the spiritual and the subtle. PCCS Books.

Hillman, A. 2015. Board diversity: Beginning to unpeel the onion. **Corporate Governance: An International Review**, 23(2), pp.104–107.

Hinson, R., Owusu-Frimpong, N. and Dasah, J. 2009. Key motivations for bank patronage in Ghana. **International Journal of Bank Marketing**, 27(5), pp.381-399.

Hofstede, G., Hofstede, G.J. and Minkov, M. 2010. Cultures and organizations: Software of the mind, 3rd McGraw Hill. New York.

Hopper, T. 2017. Neopatrimonialism, good governance, corruption and accounting in Africa: Idealism vs pragmatism. **Journal of Accounting in Emerging Economies**, 7(2), pp.225-248.

Hopper, T., Lassou, P. and Soobaroyen, T. 2017. Globalisation, accounting and developing countries. **Critical Perspectives on Accounting**, 43, pp.125-148.

Hopper, T., Tsamenyi, M., Uddin, S. and Wickramasinghe, D. 2012. Management control after privatization: Illustrations from less developed countries. **Handbook of accounting and development**. Massachusetts: Edward Elgar Publishing, Inc, pp.206-223.

Hopper, T. 2012. **Handbook of Accounting and Development**. Edward Elgar Publishing.

Hopper, T., Tsamenyi, M. and Wickramasinghe, D., 2008, March. Management accounting in less developed countries: What we know and need to know. In *School of Accounting and Commercial Law, 2008 research seminars. Victoria, New Zealand* (Vol. 7).

Hopt, K.J. 2013. Corporate governance of banks and other financial institutions after the financial crisis. **Journal of Corporate Law Studies**, 13(2), pp.219-253.

Hopt, K.J. 2021. Corporate governance of banks and financial institutions: Economic theory, supervisory practice, evidence and policy. **European Business Organization Law Review**, 22(1), pp.13-37.

Hoque, H., Andriosopoulos, D., Andriosopoulos, K. and Douady, R. 2015. Bank regulation, risk and return: Evidence from the credit and sovereign debt crises. **Journal of Banking & Finance**, 50, pp.455-474.

Hoque, H., Andriosopoulos, D., Andriosopoulos, K. and Douady, R. 2015. Bank regulation, risk and return: Evidence from the credit and sovereign debt crises. **Journal of Banking & Finance**, 50, pp.455-474.

Hryckiewicz, A. 2014. What do we know about the impact of government interventions in the banking sector? The assessment of various bailout programs on bank behaviour**. SSRN Electronic Journal.**

Hsiao, C. 2005. Why panel data? **The Singapore Economic Review**, Vol. 50 No. 2, pp.143-154.

https://www.accaglobal.com, A. 2018. **Technical resources | ACCA Global**. [online] Accaglobal.com. Available at: <https://www.accaglobal.com/gb/en/technical-activities/technical-resources-search.f-format--Text__Policy_submission.start-100.html> [Accessed 24 April 2022].

Huang, H.H., Lobo, G.J., Wang, C. and Zhou, J. 2018. Do banks price independent directors' attention? ***Journal of Financial and Quantitative Analysis***, *53*(4), pp1755-1780.

Hung, C.H.D., Jiang, Y., Liu, F.H., Tu, H. and Wang, S. 2017. Bank political connections and performance in China. **Journal of Financial Stability**, 32, pp.57-69.

Hussain, N., Rigoni, U. and Orij, R. 2016. Corporate governance and sustainability performance: Analysis of triple bottom line performance. **Journal of Business Ethics**, 149(2), pp.411-432.

Hyvönen, T., Järvinen, J. and Pellinen, J. 2008. A virtual integration—The management control system in a multinational enterprise. **Management Accounting Research**, 19(1), pp.45-61.

Hyvonen, T., Järvinen, J., Pellinen, J. and Rahko, T. 2008. Institutional logics, ICT and stability of management accounting. **European Accounting Review**, 17(4), 625-650.

Ifc.org. 2011. **CORPORATE GOVERNANCE SCORECARD 2011**. [online] Available at: <https://www.ifc.org/wps/wcm/connect/86d06740-2869-464e-adfa-009c0ef5e760/CG_Scorecards.pdf?MOD=AJPERES&CVID=l2KOdKG> [Accessed 24 April 2022].

Ilkhamov, A. 2007. Neopatrimonialism, interest groups and patronage networks: The impasses of the governance system in Uzbekistan. **Central Asian Survey**, 26(1), pp.65-84.

IMF 1999 Ghana: Enhanced structural adjustment facility policy framework paper 1999–2001. **IMF**, Washington, DC.

Iqbal, J., Strobl, S. and Vähämaa, S. 2015. Corporate governance and the systemic risk of financial institutions. **Journal of Economics and Business**, *82*, pp.42-61.

Iqbal, Z. and Mirakhor, A. 2004. Stakeholders model of governance in Islamic economic system. **Islamic Economic Studies**, 11(2).

Islam, M.M. 2013. The toxic politics of Bangladesh: A bipolar competitive neopatrimonial state? **Asian Journal of Political Science**, 21(2), pp.148-168.

Jahnke, P. 2019. Ownership concentration and institutional investors' governance through voice and exit. **Business and Politics**, 21, pp.327–350.

Jahoda, G. 2012. Critical reflections on some recent definitions of "culture". **Culture & Psychology,** 18(3), pp.289-303.

James, S. and Quaglia, L. 2019. Why does the United Kingdom (UK) have inconsistent preferences on financial regulation? The case of banking and capital markets. **Journal of public policy**, 39(1), pp.177-200.

Jayasinghe, K. and Wickramasinghe, D. 2011. Power over empowerment: Encountering development accounting in a Sri Lankan fishing village. **Critical Perspectives on Accounting**, 22(4), pp.396–414. Available at: https://doi.org/10.1016/j.cpa.2010.12.008.

Jayne, M. 2010. **Introduction to Accounting and Finance**. Oxford University Press.

Jensen, M. 1986. Agency cost of free cash flow, corporate finance, and takeovers. **American Economic Review**, 76(2), 323–329.

Jensen, M.C., 2001. Value maximization, stakeholder theory, and the corporate objective function. *Business ethics quarterly*, pp.235-256.

Jensen, M., Meckling, W. 1976. Theory of the firm: Managerial behavior, agency costs, and ownership structure. **Journal of Financial Economics**, 3(4), 305–360.

Jensen, M.C. and Meckling, W.H. 2019. Theory of the firm: Managerial behavior, agency costs and ownership structure. In **Corporate Governance** (pp. 77-132). Gower.

Johennesse, L. and Budidarma, I. 2022. Board characteristics and bank performance: Which factor is more important? **Indonesian Journal of Business Analytics**, 2(1), pp.1-12.

John, K. and Senbet, L. 1998. Corporate governance and board effectiveness. **Journal of Banking and Finance**, 22(4), pp.371-403.

John, K., De Masi, S. and Paci, A. 2016. Corporate governance in banks. **Corporate Governance: An International Review**, 24(3), pp.303-321.

Johnson, R. A. K. Schnatterly, S. G. Johnson, and S. C. Chiu, S. C. 2010. Institutional investors and institutional environment: A com-parative analysis and review. **Journal of Management Studies** 47(8), 1590–1613.

Jones, E. 2020. The challenges international banking standards pose for peripheral developing countries. **The Political Economy of Bank Regulation in Developing Countries**, p.2.

Jones, L. 2021. Aligning national bank priorities with the public interest: National benefit banks and a new stakeholder approach. **American Business Law Journal**, 58(1), pp.5-61.

Judge, W. 2009. Editorial–Toward a global theory of corporate governance. **Corporate Governance: An International Review**, 17(2), pp.iii-iv.

Kamilsoy, N. 2019. **Anti-Corruption Policy Gap: The Case of Azerbaijan**.

Karakaya, N., Michalski, T.K. and Örs, E. 2022. Banking integration and growth: Role of banks' previous industry exposure. **Journal of Financial Intermediation**, 49, p.100944.

Karasneh, I.A. and Bolbol, A. 2008. Corporate governance, concentration, and economic growth in the GCC banking sector. **Savings and Development**, pp.51-75.

Keasey, K. and Wright, M. 1993. Issues in corporate accountability and governance: An editorial. **Accounting and Business Research**, 23(sup1), pp.291-303.

Keay, A. 2014. Comply or explain in corporate governance codes: in need of greater regulatory oversight?. **Legal Studies**, 34(2), pp.279-304.

Kelsall, T. 2011. Rethinking the relationship between neopatrimonialism and economic development in Africa. **IDS Bulletin**, 42(2), pp.76–87.

Kettering, S. 2024. **Patronage in sixteenth-and seventeenth-century France**. Taylor & Francis.

Kilduff, M. 2006. Editor's comments: Publishing theory. **Academy of Management Review**, 31(2), pp.252-255.

Killick, T. 2010. **Development Economics in Action A Study of Economic Policies in Ghana**. 2nd edn. Abingdon: Routledge.

Kim, J. and Daniel, S. 2016. Religion and corporate governance: Evidence from 32 Countries. **Asia-Pacific Journal of Financial Studies**, 45(2), pp.281-308.

Kim, M. and Daniel, N. M. 2016. Culture, religion, and corporate governance. **Journal of Corporate Finance**, 41, 315-334.

Kimani, D., Ullah, S., Kodwani, D. and Akhtar, P. 2021. Analysing corporate governance and accountability practices from an African neo-patrimonialism perspective: Insights from Kenya. **Critical Perspectives on Accounting**, 78, p.102260.

Kimani, W., Muriithi, S. and Omondi, S. 2021. Corporate governance and performance of commercial banks in Kenya: The moderating role of political interference *African **Journal of Business Management***, 15(6), pp.153–165.

Kirkpatrick, G. 2009. **The Corporate Governance Lessons from the Financial Crisis** (Vol. 1). Paris: oecd.

Kishore, K. 2017. Independent directors and corporate governance: A comparative study of Indian and UK Provisions. **IUP Journal of Corporate Governance**, 16(1).

Kofarbai, B. 2021. The impact of neopatrimonialism on corporate governance and bank performance: Evidence from Ghana. **Journal of African Business**, 22(3), 363-383.

Kofarbai, H.Z. and Yauri, N.M. 2021. Corporate governance, risk management and bank failures in Nigeria: A case study of some selected banks. **Journal of Finance, Accounting & Management**, 12(1).

Akwaa-Sekyi, E.K. 2020. Internal controls and credit risk in European banking: The Basel Committee on Banking Supervision Framework approach. **In Banking and Finance**. IntechOpen.

Kohlbeck, M. and Mayhew, B.W. 2010. Valuation of firms that disclose related party transactions. **Journal of Accounting and Public Policy**, 29(2), pp.115-137.

Koomson, I. and Danquah, M. 2021. Financial inclusion and energy poverty: Empirical evidence from Ghana. **Energy Economics**, 94, p.105085.

Kopecký, P. 2011. Political competition and party patronage: Public appointments in Ghana and South Africa. **Political Studies**, 59(3), pp.713-732.

Krippendorff, K. 2018. **Content Analysis: An Introduction to its Methodology**. Sage Publications.

KULJAK, M. 2012. Institutional determinants of corporate governance and methodological discontinuity of corporate performance measurement in Montenegro. **International Journal of Management Cases**, 14(3), pp.23-31.

Kusi, B.A., Agbloyor, E.K., Simplice, A.A. and Abor, J. 2022. Foreign bank and banking stability in Africa: Does strong and weak corporate governance systems under different regulatory regimes matter? **Journal of Financial Economic Policy**, 14(2), pp.207-241.

Kusi, B.A., Gyeke-Dako, A., Agbloyor, E.K. and Darku, A.B. 2018. Does corporate governance structures promote shareholders or stakeholders value maximization? Evidence from African banks. **Corporate Governance: The International Journal of Business in Society**, 18(2), pp.270-288.

Kvale, S. and Brinkmann, S. 2009. **Interviews: Learning the craft of qualitative research interviewing**. Los Angeles, CA: SAGE.

Kyereboah, R. 2015. **Criteria For Appointing Board Members to Corporate Boards in Ghana**. University of Phoenix.

Kyereboah-Coleman, A. and Biekpe, N. 2006. The relationship between board size, board composition, CEO duality and firm performance: Experience from Ghana. **Corporate Ownership and Control**, *4*(2), pp.114-122.

Biekpe, N., 2006. Do boards and CEOs matter for bank performance? A comparative analysis of banks in Ghana. *Corporate Ownership and Control*.

Kyereboah‐Coleman, A. and Biekpe, N. 2007. On the determinants of board size and its composition: Additional evidence from Ghana. **Journal of Accounting & Organizational Change**, 3(1), pp.68-77.

Laeven, L. and Levine, R. 2009. Bank governance, regulation and risk taking. **Journal of Financial Economics**, 93(2), pp.259-275.

Laeven, L. 2013. Corporate governance: What's special about banks? Annu. **Rev. Finance. Econ.**, 5(1), pp.63-92.

Langa, M. and Langa, A. 2022. Recruiting and maintaining an effective board. **In A Director's Guide to Governance in the Boardroom** (pp.237-286). Routledge.

Lassou, P.J.C. and Hopper, T. 2016. Government accounting reform in an ex-French African colony: The political economy of neocolonialism. **Critical Perspectives on Accounting**, 36, pp.39-57.

Lassou, P.J., Hopper, T., Tsamenyi, M. and Murinde, V. 2021. Varieties of neo-colonialism: Government accounting reforms in Anglophone and Francophone Africa–Benin and Ghana compared. **Critical Perspectives on Accounting**, 65, p.102071.

Lemarchand, R. and Legg, K. 1972. Political clientelism and development: A preliminary analysis. **Comparative Politics**, Vol. 4 No. 2, pp.149-178.

Li, K., Kong, Y., Atuahene, S.A., Bentum-Micah, G. and Agyapong, M.K. 2020. Corporate governance and banking stability: The Case of Universal Banks in Ghana. **International Journal of Economics & Business Administration** (IJEBA), 8(Special 1), pp.325-352.

Li, L. and Song, F. 2013. Do bank regulations affect board independence? A cross-country analysis. **Journal of Banking & Finance**, 37(8), pp.2714-2732.

Liedong, T.A. and Rajwani, T. 2018. The impact of managerial political ties on corporate governance and debt financing: Evidence from Ghana. **Long Range Planning**, 51(5), pp.666-679.

Lin, C., Ma, Y. and Su, D. 2009. Corporate governance and firm efficiency: Evidence from China's listed firms. **Managerial and Decision Economics**, 30(3), pp.193–209. https://doi.org/10.1002/mde.1447.

Lincoln, A., Adedoyin, O. and Laugharne, J. 2017. Board composition and corporate governance mechanisms in the Nigerian banking sector. In ***Dimensional Corporate Governance: An Inclusive Approach*** (pp.79-102). Cham: Springer International Publishing.

Lindberg, S.I. 2010. What accountability pressures do MPs in Africa face and how do they respond? Evidence from Ghana. **The Journal of Modern African Studies**, 48(1), pp.117-142.

Linder, S & Foss, NJ 2015, Agency theory. in JD Wright (ed.)., **International Encyclopedia of the Social & Behavioral Sciences**. 2. edn, vol. 1, Elsevier, Amsterdam, pp.344-350. https://doi.org/10.1016/B978-0-08-097086-8.73038-8

Littlewood, D. 2020. **International Encyclopedia of Human Geography**. 2nd ed. Elsevier.

Liu, Q. 2006. Corporate governance in China: Current practices, economic effects and institutional determinants. **CESifo Economic Studies**, 52(2), pp.415–453.

Lodge, T. 2014. Neo-patrimonial politics in the ANC. **African Affairs**, *113*(450), pp.1-23.

Logan, M. S. 2000. Using agency theory to design successful outsourcing relationships. **International Journal of Logistics Management**, 11(2), 21–32.

Lopes, A.V. and Vieira, D.M. 2023. Between politics and bureaucracy: a systematic literature review on the dynamics of public appointments. **International Journal of Public Sector Management**, *36*(2), pp.152-170.

Lubatkin, M., Lane, P., Collin, S. and Very, P. 2005. Origins of corporate governance in the USA, Sweden and France. **Organization Studies**, 26: 867–87

Maama, H., Mkhize, M. and Kimea, A. 2019. Institutional investors, corporate governance and firm performance: Evidence from emerging economy. **African Journal of Business and Economic Research**, 14(3), p.91.

Magang, T.I. and Magang, V.G. 2017. Ubuntu or Botho African Culture and Corporate Governance: A case for diversity in corporate boards. **Business and Management Research**, 6(4), pp.64-75.

Magness, V. 2008. Who are the stakeholders now? An empirical examination of the Mitchell, Agle, and Wood theory of stakeholder salience. **Journal of Business Ethics**, 83, pp.177-192.

Maimbo, S.M., Faye, I. and Triki, T. 2011. ***Financing Africa: Through the crisis and beyond***. World Bank Publications.

Majama, N.S. and Magang, T.I. 2017. Strategic planning in small and medium enterprises (SMEs): A case study of Botswana SMEs. **Journal of Management and Strategy**, 8(1), pp.74-103.

Malik, M. 2014. Audit committee composition and effectiveness: A review of post-SOX literature. **Journal of Management Control**, 25, pp.81-117.

Mallin, C.A. 2019. **Corporate Governance**. Oxford University Press.

Mangaliso, M.P. 2001. Building competitive advantage from Ubuntu: Management lessons from South Africa. **Academy of Management Perspectives**, 15(3), pp.23-33.

Marinangeli, B. 2012. Orientamento allo stakeholder engagement e performance economiche nelle aziende bancarie: un'analisi empirica. **Economia e diritto del terziario**: 3, 2012, pp.319-335.

Martynova, N. and Vogel, U. 2021. Banks' complexity-risk nexus and the role of regulation. **Journal of Banking & Finance**, 134, p.106120.

Masquefa, B. 2008. Top management control functions in a knowledge-based environment. **Management Accounting Research**, 19(2), pp.213-228.

Massie, H. 2022. Navigating the invisible: Measuring and managing behavioral variability in board decision-making. **Board Leadership**, 2022(180), pp.1-8.

Mayes, G. David, Halme, Lisa and Liuksila Aarno 2001. Improving Banking Supervision. **Palgrave Macmillan New York**. Pp.91-120.

Mayur, M. and Saravanan, P. 2017. Performance implications of board size, composition and activity: empirical evidence from the Indian banking sector. **Corporate Governance: The International Journal of Business in Society**, 17(3), pp.466-489.

McCahery, J.A., Sautner, Z. and Starks, L.T. 2016. Behind the scenes: The corporate governance preferences of institutional investors. **The Journal of Finance**, 71(6), pp.2905-2932.

McCauley, J.F. 2013. Africa's new big man rule? Pentecostalism and patronage in Ghana. **African Affairs**, 112(446), pp.1-21.

McCoy, P.A. 1996. A Political Economy of the Business Judgment Rule in Banking: **Implication for Corporate Law**. Case W. Res. L. Rev., 47, p.1.

McNulty, T. and Nordberg, D. 2016. Ownership, activism and engagement: Institutional investors as active owners. **Corporate Governance: An International Review**, 24(3), pp.346-358.

Médard, J.F. 1982. The underdeveloped state in tropical Africa: political clientelism or neo-patrimonialism. Private patronage and public power: **Political Clientelism in the Modern State**, 162, pp.162-192.

Mehran, H. and Mollineaux, L. 2012. Corporate governance of financial institutions. Annu. Rev. **Finance. Econ**., 4(1), pp.215-232.

Mehran, H., Morrison, A. and Shapiro, J. 2011. Corporate governance and banks: What have we learned from the financial crisis?. **SSRN Electronic Journal**,.

Menon, K. and Williams, J. 1994. The use of audit committees for monitoring. *Journal of* ***Accounting and Public Policy***, 13(2), pp.121–139.

Mensah, S. 2017. **Banking and capital markets. The economy of Ghana sixty years after independence**. Oxford: Oxford Academic, pp.117-136.

Mensah, S. and Abor, J.Y. 2014. Agency conflict and bank interest spreads in Ghana. **African Development Review,** *26*(4), pp.549-560.

Miles, M.B. and Huberman, A.M. 1994. **Qualitative Data Analysis: An expanded sourcebook.** Sage.

Mintz, S.M. 2005. Corporate governance in an international context: Legal systems, financing patterns and cultural variables. **Corporate governance: An International Review**, 13(5), pp.582-597.

Mirzaei, A. and Samet, A. 2022. Effectiveness of macroprudential policies: Do stringent bank regulation and supervision matter? **International Review of Economics & Finance**, 80, pp.342-360.

Mitchell, R.K., Agle, B.R. and Wood, D.J. 1997. Toward a theory of stakeholder identification and salience: Defining the principle of who and what really counts. **Academy of Management Review**, 22(4), pp.853-886.

Mkandawire, T. 2015. Neopatrimonialism and the political economy of economic performance in Africa: **Critical Reflections**. World Politics, 67(3), pp.563-612.

Mnif, Y. and Slimi, I. 2023. Former auditors on the audit committee and earnings management: Evidence from African banks. **Accounting & Finance**, 63(2), pp.2383-2420.

Montecinos, V. 1993. Economic policy elites and democratization. **Studies in Comparative International Development**, 28, pp.25-53.

Moratis L, Brandt S. 2017. Corporate stakeholder responsiveness? Exploring the state and quality of GRI-based stakeholder engagement disclosures of European firms. **Corporate Social Responsibility Environmental Management** 24:312–325 https://doi.org/10.1002/csr.1408.

Moti, U.G. 2019. Neopatrimonialism as a functional threat to good governance and development in Africa**. American Journal of Humanities Social Science**, 2(10), pp.08-28.

Mueller, D. 2006. The Anglo-Saxon approach to corporate governance and its applicability to emerging markets. **Corporate Governance: An International Review**, 14(4), pp.207-219.

Mülbert, P. 2010. Corporate Governance of banks after the financial crisis – theory, evidence, reforms. **SSRN Electronic Journal**.

Mullineux, A. 2006. The corporate governance of banks. **Journal of Financial Regulation and Compliance**, 14(4), pp.375-382.

Musah, A. and Adutwumwaa, M.Y. 2021. The effect of corporate governance on financial performance of rural banks in Ghana. **International Journal of Financial, Accounting, and Management**, 2(4), pp.305-319.

Mustapha, S. 2018. Directors of the collapsed banks granted huge loans to themselves. Accra: Daily Graphic Business.

Nakpodia, F. 2016. ***An assessment of institutional influences on corporate governance in Nigeria: A multi-stakeholder perspective*** (Unpublished doctoral thesis). Newcastle Business School, Northumbria University, UK.

Nakpodia, F. and Adegbite, E., 2018, March. Corporate governance and elites. In *Accounting forum* (Vol. 42, No. 1, pp. 17-31). No longer published by Elsevier.

Nakpodia, F., Adegbite, E. and Ashiru, F., 2023, January. Corporate governance regulation: a practice theory perspective. In *Accounting Forum* (Vol. 47, No. 1, pp. 73-98). Routledge.

Nakpodia, F., Shrives, P.J. and Sorour, M.K. 2020. Examining the link between religion and corporate governance: **Insights from Nigeria. Business & Society**, 59(5), pp.956-994.

Naranova-Nassauer, A. 2021. Stakeholder relations of sustainable banks: Community benefit above the common good. **Business Ethics, the Environment & Responsibility.**

Nataraj, G. and Ashwani,. 2018. Banking sector regulation in India: Overview, challenges and way forward. **Indian Journal of Public Administration**, 64(3), pp.473-486.

NDIC. 2015. **Nigeria Deposit Insurance Corporation Quarterly Review**, Volume 26, No ½. 447/448, Constitution Avenue, PMB 284, Abuja, Nigeria.

Ndiweni Esinath. 2008. Towards a theoretical framework of corporate governance perspective from Southern Africa. In Corporate governance in less developed and emerging economies. **Research in Accounting in Emerging Economies**, Vol. 8 Page 335-357.

Neifar, S. and Jarboui, A. 2018. Corporate governance and operational risk voluntary disclosure: Evidence from Islamic banks. **Research in International Business and Finance**, *46*, pp.43-54.

Nguyen, D., Hagendorff, J. and Eshraghi, A. 2016. Can bank boards prevent misconduct? **Review of Finance**, 20(1), pp.1-36.

Noah, A.O., Adhikari, P., Ogundele, B.O. and Yazdifar, H. 2021. Corporate environmental accountability in Nigeria: An example of regulatory failure and regulatory capture. **Journal of Accounting in Emerging Economies**, 11(1), pp.70-93.

Norreklit, H. and Schoenfeld, H. 2000. Controlling multinationals: The case of the Danish MNE. **Accounting, Organizations and Society**, 25(6), pp.579-608.

Ntim, C. and Soobaroyen, T. 2013. Corporate governance and performance in socially responsible corporations: New empirical insights from a neo-institutional framework. Corporate Governance: **An International Review**, 21(5), pp.468-494.

Ntim, C.G., Opong, K.K. and Danbolt, J. 2012. The relative value relevance of shareholder versus stakeholder corporate governance disclosure policy reforms in South Africa. Corporate Governance: An International Review, 20(1), pp.84-105.

Ntim, C.G., Opong, K.K., Danbolt, J. and Thomas, D.A. 2012. Voluntary corporate governance disclosures by post-apartheid South African corporations. *Journal of Applied Accounting Research*, 13(2), pp.122–144.

Ntim, C.G. and Soobaroyen, T. 2013. Corporate governance and performance in socially responsible corporations: New empirical insights from a neo-institutional framework. **Corporate Governance: An International Review**, 21(5), pp.468–494.

Nuswantara, D.A. 2018. Re-examining the role of corporate governance in controlling Opportunistic Earnings Management. **Account and Financial Management Journal**, 3(4). Available at: https://doi.org/10.31142/afmj/v3i4.01.

Nyantakyi, E. and Sy, M. 2015. The banking system in Africa: main facts and challenges. *Africa Economic Brief*, Vol. 6 No. 5, pp.1-16.

Nyarku, K.M. and Oduro, S. 2018. Effect of legal and regulatory framework on SMEs growth in the Accra Metropolis of Ghana. **The International Journal of Entrepreneurship and Innovation**, 19(3), pp.207-217.

Obera, J.O.J. 2015. ***Governance and Accountability Issues in Nigerian Parastatals: The Case of Ajaokuta Steel*** (Doctoral dissertation, University of Dundee).

OECD. 2011. **The Role of Institutional Investors in Promoting Good Corporate Governance**. Paris: OECD

OECD. 1999. **OECD Principles of Corporate Governance. Ad Hoc Task Force on Corporate Governance.** Paris: Organisation for Economic Co-operation and Development.

OECD. 2016. **OECD Principles of Corporate Governance**. http://www.oecd.org/corporate/ca/corporategovernanceprinciples/31557724.pdf.

Office for National Statistics. 2020. **Ownership of UK Quoted Shares: 2018**. London: Office for National Statistics

Ofoeda, I., Gariba, P. and Amoah, L. 2016. Regulation and performance of non bank financial institutions in Ghana. **International Journal of Law and Management**, 58(1), pp.108-125.

Ofoeda, I., Gariba, P. and Amoah, L. 2016. Regulation and performance of non-bank financial institutions in Ghana. **International Journal of Law and Management**, 58(1), 108-125. doi: 10.1108/IJLMA-11-2014-0060.

Ogbechie, C.I. 2012. ***Key Determinants of Effective Board of Directors-Evidence from Nigeria*** (Doctoral dissertation, Brunel University Brunel Business School PhD Theses).

Ogbechie, C. and Koufopoulos, D.N. 2010. **Board effectiveness in the Nigerian Banking Industry**. Available at SSRN 1543811.

Okeyide, O. 2018. ***Diversity and Performance: A Case of Board Composition of Firms on the Nigerian Stock Exchange*** (Doctoral dissertation, University of East Anglia).

Okoye, L.U., Olokoyo, F., Okoh, J.I., Ezeji, F. and Uzohue, R. 2020. Effect of corporate governance on the financial performance of commercial banks in Nigeria. **Banks and Bank Systems**, 15(3), p.55.

Olatunji, O.R. and Stephen, O. 2011. The role of non-executive directors in the profitability of Banks: A study of universal banks in Nigeria. ***International Journal of Business and Management***, *6*(2), pp.248-257.

Osei, A. and Malang, T. 2018. Party, ethnicity, or region? Determinants of informal political exchange in the parliament of Ghana. **Party Politics**, 24(4), pp.410-420.

Osei, A.A., Yusheng, K., Caesar, A.E., Tawiah, V.K. and Angelina, T.K. 2019. Collapse of big banks in Ghana: Lessons on its corporate governance. **International Institute for Science, Technology, and Education.**

Osma, B.G., Mora, A. and Porcuna-Enguix, L. 2019. Prudential supervisors' independence and income smoothing in European banks. **Journal of Banking & Finance**, 102, pp.156-176.

Oteng-Abayie, E.F., Affram, A. and Mensah, H.K. 2018. Corporate Governance and Efficiency of Rural and Community Banks (RCBs) in Ghana. **Econometric Research in Finance**, 3(2), pp.17-31.

Otchere, I., Senbet, L. and Simbanegavi, W. 2017. Banking sector development in Africa – an overview. **Review of Development Finance**, Vol. 7 No. 1, pp.1-5.

Owen, A. and Temesvary, J. 2018. The performance effects of gender diversity on bank boards. **Journal of Banking & Finance**, 90, pp.50-63.

Owen, G. and Kirchmaier, T. 2008. The changing role of the chairman: Impact of corporate governance reform in the United Kingdom 1995–2005. **European Business Organization Law Review**, 9(2), pp.187-213.

Oya, C. and Pons-Vignon, N. 2010. Aid, development and the state in Africa. **In The Political Economy of Africa** (pp.190-216). Routledge.

Pajunen, K. 2006. Stakeholder influences in organizational survival. **Journal of Management Studies** 43, 1261–1288.

Pathan, S. and Faff, R. 2013. Does board structure in banks really affect their performance? **Journal of Banking & Finance**, 37(5), pp.1573-1589.

Pathan, S. and Skully, M. 2010. Endogenously structured boards of directors in banks. **SSRN Electronic Journal**.

Pathan, S. 2009. Strong boards, CEO power and bank risk-taking. **Journal of Banking & Finance**, 33(7), pp.1340-1350.

Pathan, S., Skully, M. and Wickramanayake, J. 2007. Board size, independence and performance: An analysis of Thai banks. **Asia-Pacific Financial Markets**, 14(3), pp.211-227.

Patten, M. 2017. **Questionnaire research – A practical guide. 4th ed.** Washington, D.C.: National Academies Press, pp.2-4.

Perry, T. and Peyer, U. 2005. Board seat accumulation by executives: A shareholder's perspective. **The Journal of Finance**, 60(4), pp.2083-2123.

Pfeffer, J. and Salancik, G.R. 2003. The **External Control of Organizations: A Resource Dependence Perspective**. Stanford, CA: Stanford University Press

Pinto, I., Gaio, C. and Gonçalves, T. 2019. Corporate governance, foreign direct investment, and bank income smoothing in African countries. **International Journal of Emerging Markets**, 15(4), pp.670-690.

Pitcher, A., Moran, M.H. and Johnston, M. 2009. Rethinking patrimonialism and neo-patrimonialism in Africa. **African Studies Review**, Vol. 52 No. 1, pp.125-156.

Plagge, J. 2014. Regulation tailored to fit our industry. American Bankers Association. **ABA Banking Journal**, 106(4), p.4.

Poku, H.M.R.D.J. and Frimpong, K. 2017. Business consolidation and its impact on financial performance: Evidence from The Ghanaian banking industry. **European Journal of Accounting Auditing and Finance Research**, 5(8), pp.62-76.

Porta, R.L., Lopez-de-Silanes, F., Shleifer, A. and Vishny, R.W. 1998. Law and finance. **Journal of Political Economy**, 106(6), pp.1113-1155.

Porter, M.E. 1992. Capital Choices: Changing the Way America Invests in Industry: A Research Report Presented to The Council on Competitiveness and Co-sponsored by The Harvard Business School, Boston.

Quaglia, L. 2014. **The European Union and Global Financial Regulation**. Oxford University Press, USA.

Quartey, P. and Afful-Mensah, G. 2014. Financial and monetary policies in Ghana after the global financial crisis: A review. ***Institute of Statistical, Social and Economic Research (ISSER) Working Paper***, University of Ghana.

Quoc Trung, N. 2022. Board of directors characteristics affect commercial banks' performance – evidence in Vietnam. **Cogent Business & Management**, 9(1).

Renders, A. and Gaeremynck, A. 2011. Corporate governance, principal-principal agency conflicts, and firm value in european listed companies. **Corporate Governance: An International Review**, 20(2), pp.125-143.

Rezaee, Z. 2010. Board subcommittees for corporate governance. **Corporate Governance: A Synthesis of Theory, Research, and Practice**, pp.243-262.

Reuters. 2015. **IMF appoints Financial Supervision Adviser for Bank of Ghana** Reuters. Available at: https://www.reuters.com/world/africa/imf-appoints-financial-supervision-adviser-bank-ghana-2023-02-15/ (Accessed: 22 April 2024).

Richardson, T. 2012. What is a philosophical stance? **Emergence**, 14(4), 36-53.

Ronen, J., Balchandran, K. 1995. Agency theory: An approach to incentive problems in management accounting. **Asian Review of Accounting**, 3(1), 127–151.

Ross, S. 1973. The economic theory of agency: The principal's problem. **American Economic Review**, 63(2), 134–139.

Ryan, L. V. and Schneider, M. 2002. The antecedents of institutional investor activism. **Academy of Management Review**,27, pp.554–573.

Rymanov, A.Y. 2016. Impact of independent directors on functioning of bank board committees. **Russian Journal of Agricultural and Socio-Economic Sciences**, *58*(10), pp.71-76.

Salehi, M., Ammar Ajel, R. and Zimon, G. 2023. The relationship between corporate governance and financial reporting transparency. **Journal of Financial Reporting and Accounting**, 21(5), pp.1049-1072.

Sandelowski, M. and Barroso, J. 2003. Classifying the findings in qualitative studies. Qualitative Health Research, 13(7), pp.905-923.

Sarhan, A., Ntim, C. and Al-Najjar, B. 2019. Board diversity, corporate governance, performance and executive pay. *SSRN Electronic Journal* [online], Available at: <https://doi.org/10.1002/ijfe.1690>.

Saunders, M. N. K., Lewis, P. and Thornhill, A. 2016.

Schwartz-Ziv, M. and Weisbach, M. 2013. What do boards really do? Evidence from minutes of board meetings. *Journal of Financial Economics*, 108(2), pp.349-366.

Setiawan, C. and Sherwin, M. 2017. Banks Efficiency And The Determinants Of Non Performing Financing Of Full-Fledged Islamic Banks In Indonesia.

Shahid, M.S. and Abbas, M. 2019. Does corporate governance play any role in investor confidence, corporate investment decisions relationship? Evidence from Pakistan and India. **Journal of Economics and Business**, *105*, p.105839.

Shan, Y. G. 2009. **Related-Party Disclosure in China. Influences of Factors Identified From Agency, Legitimacy And Signalling Theories, Symposium**. Australia: SA University of Adelaide, a, 19 February 2009

Sharkar, M.Z.H., Sobhan M. A. and Sultana, S. 2007. Association between corporate governance and related party transactions: A case study of banking sector of Bangladesh. **BRAC University Journal**, Vol. IV, No. 1, 2007, pp.31-37

Shivdasani, A. 1993. Board composition, ownership structure, and hostile takeovers. **Journal of Accounting and Economics**, 16(1-3), pp.167-198.

Shleifer, A. and Vishny, R. 1997. A survey of corporate governance. **The Journal of Finance**, 52(2), pp.737-783.

Shukla, A., Narayanasamy, S., Ayyalusamy, K. and Pandya, S.K. 2021. Influence of independent directors on the market risks of Indian banks. **Journal of Asia Business Studies**, *15*(1), pp.31-49.

Sigman, R. 2017. Neopatrimonialism and democracy indices. ***V Dem Working Paper***.

Simson, R. 2019. Africa's clientelist budget policies revisited: Public expenditure and employment in Kenya, Tanzania and Uganda, 1960–2010. **The Economic History Review**, 72(4), pp.1409-1438.

Singhania, S., Singh, R.K., Singh, A.K. and Sardana, V. 2022. Corporate governance and risk management: A bibliometric mapping for future research agenda**. Indian Journal of Corporate Governance**, 15(2), pp.223-255.

Sitkin, S.B. and George, E. 2005. Managerial trust-building through the use of legitimating formal and informal control mechanisms. **International Sociology**, 20(3), pp.307-338.

Škare, M. and Hasić, T., 2016. Corporate governance, firm performance, and economic growth–theoretical analysis. *Journal of Business Economics and Management*, *17*(1), pp.35-51.

Soobaroyen, T. and Devi Mahadeo, J. 2008. Selective compliance with the corporate governance code in Mauritius: Is legitimacy theory at work? In **Corporate Governance in Less Developed and Emerging Economies** (pp.239-272). Emerald Group Publishing Limited.

Spence, M. and Zeckhauser, R. 1978. Insurance, information, and individual action. In **Uncertainty in Economics** (pp.333-343). Academic Press.

Spira, L. 1998. An evolutionary perspective on audit committee effectiveness. ***Corporate Governance: An International Review***, *6*(1), pp.29-38.

Stathopoulos, K. and Voulgaris, G. 2016. The impact of investor horizon on say-on-pay voting. **British Journal of Management**, 27(4), pp.796-818.

Stemler, S. 2000. An overview of content analysis. **Practical Assessment, Research, and Evaluation**, 7(1).

Stiglitz, J., Bougrov, A., Boutros-Ghali, Y., Fitoussi, J.P., Goodhart, C.A. and Johnson, R. 2009, September. Report of the Commission of Experts of the President of the United Nations General Assembly on reforms of the international monetary and financial system. In **UN Conference on the World Financial and Economic Crisis and its Impact** (p.113).

Suchman, M.C. 1995. Managing legitimacy: Strategic and institutional approaches. **Academy of Management Review**, 20(3), pp.571-610.

Sun, G. 2020. Banking institutions and banking regulations. **The Handbook of China's Financial System**, pp.9-37.

Sun, J. and Liu, G. 2014. Audit committees' oversight of bank risk-taking**. Journal of Banking & Finance**, 40, pp.376-387.

Tan, Y. 2015. **Performance, Risk and Competition in the Chinese Banking Industry**. Witney, United Kingdom: Chandos Publishing (Oxford) Ltd.

Tanna, S., Pasiouras, F. and Nnadi, M. 2011. The effect of board size and composition on the efficiency of UK banks. **International Journal of the Economics of Business**, 18(3), pp.441-462.

Tate, W.L., Ellram, L.M., Bals, L., Hartmann, E. and Van der Valk, W. 2010. An agency theory perspective on the purchase of marketing services. **Industrial Marketing Management**, 39(5), pp.806-819.

Taylor, I. and Williams, P.D. 2008. Political culture, state elites and regional security in West Africa. **Journal of Contemporary African Studies**, 26(2), pp.137-149.

Teske, P. 2004. **Regulation in the States**. Rowman & Littlefield.

Thapa, R.B., Kumar, A., Gupta, S.K. and Bhandari, R.C. 2025. The role of audit committees in strengthening governance and risk management in banks: Evidence from Nepal. **International Journal of Environmental Sciences**, *11*(7s), pp.960-971.

Therkildsen, O. 2005. Understanding public management through neopatrimonialism: A paradigm for all African seasons? In Engel, U. and Olsen, G. (eds.) *The African Exception*. Routledge, pp.35–51.Tilba, A. and McNulty, T. 2013. Engaged versus disengaged ownership: The case of pension funds in the UK. **Corporate Governance: An International Review**, 21(2), pp.165-182.

Therkildsen, O. 2017. Understanding public management through neopatrimonialism: a paradigm for all African seasons?. In **The African Exception** (pp. 35-51). Routledge.

Torku, K. and Laryea, E. 2021. Corporate governance and bank failure: Ghana's 2018 banking sector crisis. **Journal of Sustainable Finance & Investment**, pp.1-21.

Tosi, H.L. 2008. Quo Vadis? Suggestions for future corporate governance research. **Journal of Management & Governance**, 12, pp.153-169.

Triki, T., Kouki, I., Dhaou, M.B. and Calice, P. 2017. Bank regulation and efficiency: What works for Africa? **Research in International Business and Finance**, 39, pp.183-205.

Tsamenyi, M. and Uddin, S. 2008. Introduction to corporate governance in less developed and emerging economies. In **Corporate governance in less developed and emerging economies** (pp.1-11). Emerald Group Publishing Limited.

Tsamenyi, M., Enninful-Adu, E. and Onumah, J. 2007. Disclosure and corporate governance in developing countries: Evidence from Ghana. **Managerial Auditing Journal**, 22(3), pp.319-334.

Tseng, C. and Jian, J. 2016. Board members' educational backgrounds and branding success in Taiwanese firms. **Asia Pacific Management Review,** 21(2), pp.111-124.

Uchenna Okoye, L., Ehimare Omankhanlen, A., I. Okoh, J., N. Ezeji, F. and Ibileke, E. 2020. Impact of corporate restructuring on the financial performance of commercial banks in Nigeria. **Banks and Bank Systems**, 15(1), pp.42-50.

Uddin, S. and Choudhury, J. 2008. Rationality, traditionalism and the state of corporate governance mechanisms: Illustrations from a less-developed country. **Accounting, Auditing & Accountability Journal**, 21(7), pp.1026-1051.

Udeh, E.O., Amajuoyi, P., Adeusi, K.B. and Scott, A.O. 2024. Blockchain-driven communication in banking: Enhancing transparency and trust with distributed ledger technology. **Finance & Accounting Research Journal**, 6(6), pp.851-867.

Ullah, S., Akhtar, P. and Zaefarian, G. 2018. Dealing with endogeneity bias: The generalized method of moments (GMM) for panel data. **Industrial Marketing Management**, 71, pp.69-78.

Uwuigbe, O.R. and Fakile, A.S. 2012. The effects of board size on financial performance of banks: A study of listed banks in Nigeria. *International Journal of Economics and Finance*, *4*(2), pp.260-267.

Vaismoradi, M., Turunen, H. and Bondas, T. 2013. Content analysis and thematic analysis: Implications for conducting a qualitative descriptive study. **Nursing & Health Sciences**, 15(3), pp.398-405.

Vallelado, E. and García‐Olalla, M. 2021. Bank board changes in size and composition: Do they matter for investors? **Corporate Governance: An International Review**, 30(2), pp.161-188.

Van de Walle, N. 2001. **African Economies and the Politics of Permanent Crisis**, 1979-1999. Cambridge University Press.

Van der Elst, C. 2015. Corporate governance and banks: How justified is the match? **European Corporate Governance Institute** (ECGI)-Law Working Paper, (284).

Van Greuning, H. and Bratanovic, S.B. 2020. **Analyzing Banking Risk: A Framework for Assessing Corporate Governance and Risk Management**. World Bank Publications.

Venturelli, A., Cosma, S. and Leopizzi, R. 2018. Stakeholder engagement: An evaluation of European banks. **Corporate Social Responsibility and Environmental Management**, 25(4), pp.690-703.

Vitols, S. 2005. Changes in Germany's Bank‐Based Financial System: Implications for Corporate Governance. **Corporate Governance: An International Review**, 13(3), pp.386-396.

Volonté, C. 2015. Culture and corporate governance: The influence of language and religion in Switzerland. **Management International Review**, 55, pp.77-118.

Wai, Z. 2012. Neo-patrimonialism and the discourse of state failure in Africa. **Review of African Political Economy**, 39(131), pp.27-43.

Walker, D. 2009. **A Review of Corporate Governance in UK Banks and other Financial Industry Entities: Final Recommendations**. Walker review secretariat.

Wang, T. and Hsu, C. 2013. Board composition and operational risk events of financial institutions. **Journal of Banking & Finance**, 37(6), pp.2042-2051.

Wasserman, N. 2006. Stewards, agents, and the founder discount: Executive compensation in new ventures. **Academy of Management Journal**, 49(5), pp.960-976.

Watts, R.L. and Zimmerman, J.L. 1983. Agency problems, auditing, and the theory of the firm: Some evidence. **The Journal of Law and Economics**, 26(3), pp.613-633.

Waweru, N. 2014. Factors influencing quality corporate governance in Sub Saharan Africa: an empirical study. **Corporate Governance**, 14(4), pp.555-574.

Waweru, N. 2018. Audit committee characteristics, board ethnic diversity and earnings management: evidence from Kenya and Tanzania. **International Journal of Corporate Governance**, 9(2), pp.149-174.

Weber, M. 2009. **The Theory of Social and Economic Organization**. Simon and Schuster.

Weber, M. 1978. **Economy and Society: An Outline of Interpretive Sociology** (Vol. 1). University of California Press.

Weingast, B.R. and Moran, M.J. 1983. Bureaucratic discretion or congressional control? Regulatory policymaking by the Federal Trade Commission**. Journal of Political Economy**, 91(5), pp.765-800.

Wheeler, S. 2012. Independent directors and corporate governance. **Australian Journal of Corporate Law**, 27(1), pp.168-187.

Whitfield, L. 2011. Political challenges to developing non-traditional exports in Ghana: The case of horticulture exports (No. 2011: 29). **DIIS Working Paper**.

Whitfield, L. and Mette Kjaer, A. 2015. Moving beyond neo-patrimonialism: Ole Therkildsen's contribution to understanding politics in Africa. **PERSPECTIVES ON POLITICS, PRODUCTION AND PUBLIC ADMINISTRATION IN AFRICA**, p.243.

Williams, J. and Nguyen, N. 2005. Financial liberalisation, crisis, and restructuring: A comparative study of bank performance and bank governance in South East Asia. **Journal of Banking & Finance**, 29(8-9), pp.2119-2154.

Wintoki, M.B., Linck, J.S. and Netter, J.M. 2012. Endogeneity and the dynamics of internal corporate governance. **Journal of Financial Economics**, 105(3), pp.581-606.

Wiseman, R.M., Cuevas-Rodríguez, G. and Gomez-Mejia, L.R. 2012. Towards a social theory of agency. **Journal of Management Studies**, 49(1), pp.202-222.

Wiseman, R.M. and Gomez-Mejia, L.R. 1998. A behavioral agency model of managerial risk taking. **Academy of Management Review**, 23(1), pp.133-153.

Wu, Y. and Dong, B. 2021. The value of independent directors: Evidence from China. **Emerging Markets Review**, 49, p.100763.

Wymeersch, E. 1998. A status report on corporate governance rules and practices in some Continental European states. In K. J. Hopt, H. Kanda, M. J. Roe, E. Wymeersch, & S. Prigge (Eds.), **Comparative Corporate Governance: The State of the Art and Emerging Research**. Oxford: Clarendon Press.

Yanow, D. 2000. **Conducting Interpretive Policy Analysis** (Vol. 47). Sage.

Yusoff, W.F.W. and Alhaji, I.A. 2012. Insight of corporate governance theories. **Journal of Business & Management**, 1(1), pp.52-63.

Zaher, H.F. 2023. Cultural impact on environmental sustainability practices: A comparative study using hofstede's cultural dimensions. **Chemical Engineering Transactions**, *107*, pp.157-162.

Separate list of References to Publications of public bodies in both Ghana and Development Partners

Ministry of Finance, Ghana. (2018) *Fiscal and Financial Stability Councils Now Established*. Available at: https://www.mofep.gov.gh/news-and-events/2018-01-03/fiscal-and-financial-stability-councils-now-established (Accessed: 25 July 2024).

Bank of Ghana (2017) *GCB Bank Ltd Takes Over UT Bank Ltd and Capital Bank Ltd*. Available at:https://www.bog.gov.gh/wp-content/uploads/2024/05/GCB-Bank-takes-over-UT-and-Capital-Bank.pdf (Accessed: 20 July 2024).

Bank of Ghana (2018) *Bank of Ghana Appoints Official Administrator for uniBank Ghana Ltd*. Available at: https://www.bog.gov.gh/wp-content/uploads/2024/05/Bank-of-Ghana-appoints-official-administrator-for-UNIBANK-GH-LTD.pdf (Accessed: 17 July 2024).

Bank of Ghana (2018) Government Establishes New Indigenous Bank; Bank of Ghana Revokes Licences of Five Banks and Appoints Receiver in Respect of Their Assets and Liabilities. Available at: https://www.bog.gov.gh/wp-content/uploads/2024/05/PRESS-RELEASE-CBG-AND-FIVE-BANKS.pdf (Accessed: 25 July 2024).

Bank of Ghana (2019) *Update on Banking Sector Reform*. Available at: https://www.bog.gov.gh/wp-content/uploads/2024/05/Press-Release-Update-on-Banking-Sector-Reforms.pdf (Accessed: 29 July 2024).

Bank of Ghana (2018) *Bank of Ghana establishes Ethics and Internal Investigations Unit to strengthen good governance within the bank*. Available at: https://www.bog.gov.gh/wp-content/uploads/2019/07/PRESS-RELEASE-Ethics-and-Internal-Investigations-Unit.pdf (Accessed: 30 July 2024).

Bank of Ghana (2019) *Restoring* confidence and building a resilient banking system for Ghana. Available at: https://www.bog.gov.gh/wp-content/uploads/2019/07/Restoring-Confidence-and-Building-a-Resilient-Banking-System-for-Ghana.pdf (Accessed: 25 July 2024).

World Economic Forum (2018) *How Ghana is working to improve the banking sector*. Available at: https://www.weforum.org/stories/2018/12/ghana-working-to-improve-bank-regulation/ (Accessed: 12 August 2024).

International Monetary Fund (IMF) (2016) *Third review under the extended cred*it facility arrangement and request for waiver for nonobservance of performance criteria, and modifications of performance criteria—press release; staff report; and statement by the executive director for Ghana. Available at: https://www.imf.org/external/pubs/ft/scr/2016/cr16321.pdf (Accessed: 20 July 2024)

Bank of Ghana (2018) *Corporate Governance Directive 2018 for Banks, Savings and Loans Companies, Finance Houses and Fin*ancial Holding Companies. Available at:

https://www.bog.gov.gh/wp-content/uploads/2019/09/CGD-Corporate-Governance-Directive-2018-Final-For-PublicationV1.1.pdf (Accessed: 25 June 2024).

Securities and Exchange Commission, Ghana (2020) *The Corporate Governance Code for Listed Companies*. Available at: https://sec.gov.gh/wp-content/uploads/Final-Regulatory-Laws/Codes/Corporate_Governance_Code.pdf (Accessed: 24 July 2024).

Bank of Ghana (2022) *Corporate Governance Disclosure Directive for Banks, Savings and Loans, and Finance Houses*. Available at: https://www.bog.gov.gh/wp-content/uploads/2022/05/Corporate-Governance-Disclosure-Directive.pdf (Accessed: 23 July 2024).

World Bank (2023) *Financial Sector Assessment: Ghana*. Washington DC: World Bank.

World Bank (2024) Ghana - Financial Stability Project (English). Washington, D.C.: World Bank Group. Available at: http://documents.worldbank.org/curated/en/099051024112570274 (Accessed: 20 July 2024).

World Bank (2025) *Ghana Overview*. Available at: https://www.worldbank.org/en/country/ghana/overview

Appendix

Appendix Table 1The interviewee codes presented in this table, institutional category and job function in most cases have been used to refer to quotations made by interviewees.

Interview Code	**Institution Category**	**Job Function**	**Length of Interview**
INT1	Bank	Executive Director	1hour, 12min
INT2	Banking consultant	Consultant	59min
INT3	Bank	Non-Executive Director	1hour, 5min
INT4	Bank Consultant	Consultant	1hour, 40min
INT5	Bank	Executive Director	48min
INT6	Banking Consultant	Consultant	1hour, 20min
INT7	Bank	Independent Director	1hour, 10min
INT8	Bank	Ex-Auditor	55min
INT9	Bank	Bank Consultant	1hour, 15min
INT10	Bank	Board Secretary	50min
INT11	Bank	Executive Director	1hour, 20min
INT12	Bank	Executive Director	1hour, 10min
INT13	Bank	Executive Director	1hour, 35min
INT14	Bank	Ex-CEO/Director	58min
INT15	Bank	Executive Director	1hour, 12min
INT16	Bank	Non-executive director	1hour, 05min
INT17	Bank	Audit Committee Member	50min
INT18	Bank Consultant	Consultant	1hour, 20min

INT19	Bank	Independent Director	55min
INT20	Bank	Executive Director	1 hour
INT21	Bank	Executive Director	1hour, 10min
INT22	Bank Consultant	Consultant	1hour, 20min
INT23	Bank	Risk Director	50min
INT24	Bank Consultant	Consultant	1hour, 15min
INT25	Bank	Associate Executive Director	40min
INT26	Bank Consultant	Consultant	1hour, 05min
INT27	Bank	Non-Executive Director	55min
INT28	Bank Consultant	Consultant	1hour, 10min
INT29	Bank Consultant	Consultant	1hour, 3min
INT30	Government Ministry	Director	55min
INT31	Ex Regulator	Director	1hour, 20min
INT32	Government Ministry	Director	50min
INT33	Bank	Executive Director	52min
INT34	Bank	Non-Executive Director	1hour
INT35	Bank	Executive Director	55min
INT36	Bank	Non-Executive Director	1hour, 5min
INT37	Bank	Non-Executive Director	1hour, 10min
INT38	Bank	Executive Director	52min
INT39	Bank	Non-Executive Director	1hour, 05min
INT40	Bank	Executive Director	1hour, 20min
INT41	Bank	Non-Executive Director	1hour, 10min

INT42	Bank	Executive Director	1hour, 30min
INT43	Bank	Non-Executive Director	45min
INT44	Bank	Executive Director	57min
INT45	Regulator	Director	1hour
INT46	Bank	Retired bank director	1hour, 15min
INT47	Ex Regulator	Director	1hour 45min
INT48	Bank	Independent Director	55min
INT49	Bank	Ex-ED of bank board	1hour, 10min

Appendix Table 2:

Documents accessed in the course of research

Document	Purpose	Source
Resolution Policy Statement	This document describes the framework available to the Bank of Ghana to resolve failing/failed Banks and Specialised Deposit Taking Institutions.	Bank of Ghana (2021)
Annual Reports of Banks	As well as financial performance, this documents also details corporate governance compliance	Annual reports of banks on website
Receivership Report	Reports on Banks license revocation	Bank of Ghana (2024)
Administrators Report	Report for official administrator for uniBank Ghana Ltd	Bank of Ghana (2020)

Appendix Table 3: Participant Interview Guide

Part 1	**Background Information** 1. Job/professional title 2. Can you tell us a bit about yourself and your current (and previous) role in bank boards? 3. How long have you been involved in bank governance (follow-up questions will follow. So, if someone says that he is a community leader, then, will ask 'what brings you here' type of questions)
Part 2	**Governance regulation and structure** 4. Tell me about your bank governance structure (internal and external)? 5. What are the key regulatory changes relating to board governance in banks? (There will be a specific question relating to 2018 corporate governance codes for banks in Ghana. There will also be a question relating to Nigeria's current corporate governance code for Banks) 6. What are the strengths of the existing bank governance model in Africa? that have been effective or impactful? If none, why do you think this has happened? 7. What are the weaknesses/loopholes in existing model of bank governance? 8. Would you mind sharing any experience of corruption/ bank governance failure? (follow-up questions will follow) your years of

	experience in bank governance, have you experience bank closure or distress bank directly or indirectly? What was your experience. 9. Based on your experience as a director/ management/regulator, how do you explain the 'XXXX' scandle? Why do you think board can/cannot function effectively in preventing the scandle? i.e., collapse/distress of that bank? 10. In the aftermath of scandal, patrimonial relations are often seemed to be alleged for corrupting the banking sector? How do you see these allegations in light of governance reforms that had been implemented over last few years? What is your view on recent reforms (2018 corporate governance codes for banks in Ghana) introduced to bring improvement in bank governance in Ghana? A similar question will be asked in relation to Nigeria situation. 11. What are the main challenges facing bank directors in Ghana? Fear of lawsuit? Shareholder activism? Corruption enquiry? There will be follow-up questions on every challenge identified to expand on origins, factors and ways it could be improved maybe.
Part 3	**Internal board oversight and operation** 12. What is your view on proper functioning/ challenges of regulatory compliance of bank oversight by both bank directors and regulators? 13. As a director, how do you define your accountability? To whom? How you discharge? Any challenges?

	14. What is your view on independent director's role and to whom are they accountable. Any independent/ formal/ informal reporting? Accountability in bank governance? 15. How does the board committees (such as audit committee, risk committee) play governance role? How does the bank board operate? 16. In your view, how do executive board members deal with independent directors' views/ decision opposing executive management's view? how is the agenda of board meetings implemented? 17. Do you have any internal code/ informal norm/ mutual understanding that contradicts regulatory spirit? How do you assess the contribution of board members during board meetings? 18. Tell me your experience of dealing with an external board member (such as independent director who is a social elite/ priest/ Church/community leader? What is your view on shadow directors or owners/majority shareholders who in fact are known to steer the board and bank? 19. Tell me about board level interaction (with major shareholders, regulators, internal sub-committees, ministry etc.)
Part 4	**Board interaction with risk management, Internal and external audit** 20. What is your general view on internal control and risk management of banks? 21. What role do bank directors, especially independent directors play in internal control and risk management?

	22. In your view, what is the impact of having internal audit and control/ executive committee/ audit committee on the overall corporate governance of the company? 23. Audit objections, loan disputes, credit approval etc how are they handled?
Part 5	**Director appointment, remuneration and performance evaluation** 24. Can you tell me how bank directors (executive and independent) are appointed? 25. How long can a bank director serve on the board? Interlocking directorship? 26. I would like to understand the training, development and mentoring available to bank directors if any? 27. How have these trainings impacted bank governance if any? 28. How are board directors' remunerations determined? Do all directors get the same compensation (internal and external directors, male and female, old and new directors) 29. Are board directors properly remunerated to carry out their duties. 30. What is your view on what constitute adequate remuneration for bank directors. Follow-up questions on the relationship between adequate compensation and director's role.