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SUSTAINABILITY REPORTING AN UNSUNG CORPORATE GOVERNANCE NOTCH: AN ANALYSIS OF REPORTING PRACTICES BY ZIMBABWE STOCK EXCHANGE LISTED COMPANIES, 2016

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Abstract: Corporate governance and sustainability reporting has been topical and trending over the last two decades. This has precipitated the reconsideration of traditional business models into contemporary sustainable business models which are still to set their foot well in Zimbabwean economy. The improvement in the corporate governance situation in the economy has not seen a movement towards sustainable corporate culture. This has been partly because of the foggy perspective on the relationship between the corporate governance mechanisms and sustainability reporting. To this end, this cross-sectional study sought to position sustainability reporting relative to corporate governance and this was done using the corporate governance mechanisms and the sustainability reporting clusters (environmental, social and economic) on a sample sixty-one active companies listed on the Zimbabwe Stock Exchange as at 31 December 2016. An explanatory research design was adopted. Positivist research philosophy was used in line with the multi-method approach. A hybrid of research strategies namely archival and survey was utilised. Secondary data in the form of corporate annual reports were used. The summative content analysis was the research instruments used. The Software Package for Social Science (SPSS) helped in the analysis of data by providing the Mann- Whitney U and Kendall's Tau-b statistical test. Statistical tests revealed that there is a positive significant relationship between independent non-executive directors, proportion of women directors, sustainability committee and multiple directorships and the extent of sustainability reporting. Following the study findings, recommendations were suggested which could improve sustainability reporting practices if properly implemented.

Keywords: Corporate governance mechanism**,** Sustainability reporting, listed companies.

1. INTRODUCTION

The study sought to position the sustainability reporting relative to corporate governance through an analysis of corporate governance mechanisms that influence sustainability reporting practices of companies listed on the Zimbabwe Stock

Exchange. The chapter outlines the background of the study, the statement of the problem, research objective and research questions, scope of the study and how the research is structured.

Sustainability reporting and corporate governance are viewed as two separate areas crucial to the 21st century corporates thus have gained significant attention of the many stakeholders in all spheres, academia not spared. Despite the ballooning interests in these areas, their positions relative to each other have remained opaque. The studies on the relationship between sustainability reporting and corporate governance are limited (Michelon and Parbonetti, 2012). Therefore, the aim of this study is to analyse the reporting practices of Zimbabwe Stock Exchange (ZSE) companies to establish the degree to which corporate governance can be fully understood and utilised to enhance sustainability reporting. This was done through the use of corporate governance mechanisms to transcend sustainability reporting. The study is of paramount importance to Zimbabwe as she opens boarders for foreign direct investments and harness her factor endowments for sustainable development. The following sections gives a walk-through path in the uncovering of the hidden facts about sustainability reporting and corporate governance.

In recent times, the world has been under a siege of industrialisation and globalisation; which have taken centre-stage in almost all spheres of man-kind. Recovering from the global financial crisis of 2007-2008, the global business arena has been posed with a number of issues aimed at restoring sanity at global level. The fast-paced globalisation gave-birth to investment opportunities across the globe. The sharing and transfer of technologies, investments and resources have been easier. Information has become one of the most important resources to navigate the plateauing global markets. This has made corporate reporting a preponderant ingredient in the business circles.

The fact that corporates do not operate in a vacuum has resulted in a groundswell outcry for social and environmental justice in their activities. Chan *et al* (2014) posited that corporates of today are expected to go beyond issuing financial metrics and disclosures. Galbreath, (2012) echoed the same sentiments by postulating that stakeholders are now not concerned with the financial outcomes of business but also with how the social and environment issues are handled.

Corollary, in most jurisdictions the centre of the corporate reporting matrix is the board of directors who are the drivers of the corporate vision. The voluntary disclosure policies of corporates are a brain-child of the corporate culture as transcended by the corporate board, (Haniffa and Cooke, 2005; Janggu *et al*, 2014). The setting of the tone by the corporate board on voluntary disclosures particularly on sustainability reporting is a necessary conduit to sustainable development as stipulated by Sundaransen, Tan and Rajangam, (2016).

The growing influence of global institutions such as the International Accounting Standard Board (IASB) and Global Reporting Initiative (GRI) advocating for sustainable reporting cannot be down-played. The establishment of the GRI Sustainability Disclosure Database in Amsterdam have been a force to reckon with in quest of sustainability development. The trajectory of the GRI has manifested through the birth of institutions such as Dow Jones Sustainability Indices (DJSI) and FTSE4Good operating conspicuously on the global capital markets.

In the Sub-Saharan Africa, Johannesburg Stock Exchange (JSE) has been on top of the game on sustainability reporting as propounded by Shanmugan, (2017). The King report IV is the latest conduit of driving both corporate governance and sustainability reporting in South Africa. Across the Limpopo River, trying to up the game is Zimbabwe as evidenced by the serious consideration of including the sustainability reporting listing requirements through Sustainable Stock Exchanges Initiative (SSE) and the introduction of the national code of corporate governance (ZIMCODE) in April 2015. The fruits of the code are yet to be realised given that it was issued on a "comply or explain" basis. The fact that a code adopted on a "comply or explain" basis renders it more or less voluntary in nature as hinted by Bhiman and Soonawalla, (2005). This has posed challenges to the smooth adoption of the ZIMCODE by many corporates retarding the growth of sustainability reporting as highlighted by Institute of Chartered Secretaries (ICSAZ) in its 2016 4th issue magazine.

A foray in literature on the relationship between sustainability reporting and corporate governance by a plethora of authors in different jurisdictions is noticeable (Sunderasen, Tan and Rajangam, (2016); Shanmugam, (2017)). A closer review of literature reveals that a sea of sameness has engulfed this area of study leaving a lacuna on whether or not sustainability reporting is a level of corporate governance; thus awaken the researcher to the reconnaissance that if these two are intricately interwoven why then are corporates particularly in Zimbabwe not embracing sustainability reporting as a bold step towards good corporate governance. It is against this backdrop that the study seeks to analyse sustainability reporting from the premise of an unsung corporate governance notch on Zimbabwe Stock Exchange listed companies.

Statement of the problem

Despite a foray in literature on the relationship between sustainable reporting and corporate governance by a multitude of studies in different jurisdictions, little to no attention has been given on analysis of sustainable reporting as an emerging level of corporate governance. The fact that frantic efforts are being made to encourage sustainability reporting cannot be downplayed at all levels of corporate management. These efforts need to be directed without myopia to yield intended results. This demands a thoughtful establishment of a preponderate set of corporate governance ingredients to buttress sustainability reporting, a 21st century corporate need particularly in Zimbabwe where firms are being catapulted towards good corporate governance practices and sustainability reporting.

Research Objectives

The study seeks to explore corporate governance mechanisms evident in reporting practices of ZSE listed companies. To identify information voluntarily reported or disclosed by ZSE listed companies. Examine ways in which corporate governance mechanisms influence sustainability reporting of ZSE listed companies. Investigate the extent to which corporate governance mechanisms influence sustainability reporting of ZSE listed companies. To proffer solutions on what can be done to improve sustainability reporting in ZSE listed companies.

Significance of the study

The study seeks to position the sustainability reporting relative to corporate governance to clear the cloud of myopia engulfing the 21st century corporates. Extant literature has only extended to the level of clarifying the relationship between the two without giving each of the two its position in corporate management (Wang & Clift, 2009; Bear, Rahman, & Post, 2010; Amar, Chang & Mcllkenny, 2015; Shanmugan, 2017; Ong & Djajadikerta, 2017). The Sustainability reporting and corporate governance are viewed as two separate areas crucial to the 21st century corporates thus have gained significant attention of the many stakeholders in all spheres, academia not spared.

Despite the ballooning interests in these areas, their positions relative to each other have remained opaque. The studies on the relationship between sustainability reporting and corporate governance are limited (Michelon and Parbonetti, 2012). Therefore, the aim of this study is to analyse the reporting practices of Zimbabwe Stock Exchange (ZSE) companies to establish the degree to which corporate governance can be fully understood and utilised to enhance sustainability reporting. This can be done through the use of corporate governance mechanisms to transcend sustainability reporting.

The study is of paramount importance to Zimbabwe as it opens boarders for foreign direct investments and harness its factor endowments for sustainable development. This research would be important in a number of ways. From a management perspective, if efforts towards better corporate governance mechanism are viewed to be vain, this may result in a less sustainability reporting resulting in some misconceptions by external stakeholders, most importantly prospective investors and customers that may lead to missed opportunities. In Zimbabwe, where natural resources such as minerals are in abundance, there is need for the nurturing sustainable projects. This can only be done through developing a sustainable oriented culture at corporate level which may be reflected by the extent of sustainability reporting practices; thus this study is important in trying to establish the best mix of corporate governance mechanisms to achieve this goal. From a policy maker perspective, this study would highlight possible areas of concern that would require attention in the event of establishing a mandatory sustainability reporting framework.

Also, the study sought to augment the efforts of Sustainability Stock Exchange Initiative (SSE) to consider implementation of sustainability reporting by ZSE listed companies which started seriously being looked at since November 2013. The period under study has seen some frantic efforts by a number of stakeholders as they try to push for some listing requirements which are well grounded in sustainability reporting. To this end, the period under consideration was a transitional period in terms of serious sustainability reporting in Zimbabwe thus very fundamental to the study.

From an academic point of view, this study would contribute to the positioning of the corporate governance and sustainability reporting relative to each other thereby closing a gap in literature particularly in Zimbabwe. This research also acts as an advancement of knowledge in areas corporate governance and sustainability reporting in Zimbabwe.

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2. BODY OF ARTICLE

Sustainability reporting and Corporate Governance

A plethora of studies to date on corporate governance and sustainability reporting have been conducted in different countries to provide insights on a number of issues (Chan, Watson, & Woodliff, 2014). However, a foray on the position of each variable to each other has remained a unexplored area (Hanniffa & Cooke, 2005; Shanmugan, 2017).A closer look at extant literature has revealed that corporates are now broadening their scope of business strategy to include long term economic, social and environmental aspects (Hardjono & Van Marrewijk, 2001). Important perspective was postulated by Elkington (2006) who stipulated that the purpose of the sustainability reporting has dove-tailed well with and become an apparent extension of corporate governance. This directly and or indirectly calls for the rolling of sleeves by those charged with corporate governance particularly the board to superintend the smooth flow of sustainability reporting.

A study conducted in Lebanon conducted by Jamali *et al*, (2008) using in-depth interviews on corporate managers attested to the fact by Elkington (2006). The study placed on record that corporate governance is a necessary complimentary pillar of ensuring successful sustainability reporting. To echo the same sentiments was Beltratti (2005) who concurred that corporate governance and sustainability reporting are complimentary in the decision-making process of firms.Kolk & Pinske (2010) observed another dimension of the two variables (corporate governance and sustainability reporting) by stating that the two are overlapping and intricately interwoven. This is so because trying to strengthen the corporate governance aspects of an organisation does not only involve mechanisms including board composition, board gender diversity, board size, CEO duality, sustainability committee and multiple directorship but also encompass voluntary intrinsic aspects of the environment and the society to all stakeholders. In the same vein, Robertson (2009) as cited by Shanmugam (2017) asserts that sustainability reporting is achievable in the presence of corporate transparency and disclosure to all stakeholders.

A study conducted on the Fortune Global 250 companies by Kolk (2008) to explore the extent of corporate governance incorporation into sustainability reporting. The results showed that the Japanese and European multinational companies have incorporated governance into their sustainability reporting. This goes in-line with the results by Shrivastava and Addas (2014) in a study which concluded that better corporate governance boils down to better sustainability reporting. Peters and Romi (2015) found that companies that issue sustainability reports tend to conform to the societal expectations. Shunmugan (2017) in a study to examine the relationship between corporate governance quality and sustainability reporting in Malaysia found that corporate governance quality plays an important part in influencing the sustainability reporting as shown by the voluntary disclosure. The study also further highlighted that most distressed companies were weak on sustainability reporting relative to those top performing companies.

Corollary, a study conducted on the US and European companies by Michelon & Parbonetti (2012) on the effect of corporate governance on the disclosure revealed that in order to explain the hand of the board composition on sustainability reporting, there is need to go beyond the narrow ad traditional distinction between insider and independent directors thus focusing on the specific mechanisms of governance which this study sought to look at. The heterogeneity of sustainability disclosures provided by the US and European countries had a strong bearing on the corporate governance orientation of the firms understudy. In a comparative study, in which the determinants of sustainability reporting were under review, Hahn & Kuhnen (2013) noted that the area is still in its infancy hence the need to study the area through delving beyond compartmentalisation and isolated approaches. The study also highlighted that the 178 articles reviewed focused on the internal and external determinants of sustainability reporting leaving a gap on what position does sustainability reporting occupy relative to corporate governance. It also recommended the use of theoretical anchors such as legitimacy, stakeholder, signaling and institutional theory.

Relative to the aforementioned, a study conducted on the Zimbabwe Stock Exchange to investigate the legitimacy of corporate disclosures by Jere *et al*, (2016) found out that the financial information is predominant relative to non-financial information. This boiled down to the conclusion that the ZSE listed companies' corporate reporting may not be legitimate when evaluated against international practices. The authors recommended that ZSE should consider some reforms to drive effective corporate reporting which encompasses sustainability reporting. The research believed that potential future research should look into the role and technical competences of accounting professionals to drive effective corporate reporting and the regulatory framework on non-financial reporting in Zimbabwe. This resonates well with the study conducted in Asia by Ho & Wong (2001) in a study to unravel the relationship between corporate governance structures and the extent of voluntary disclosure in which regulatory bodies were seen to be paramount importance in promulgating new corporate governance requirements that could enhance corporate transparency.

Adding up to the previous literature, the study seeks to position sustainability reporting relative to corporate governance through the use of a broader view that encompasses a number of theoretical underpinnings of the two variables.

Theoretical perspective

Previous researches on the relationship between sustainability reporting and corporate governance delve mainly on the agency theory (Jensen and Meckling, 1976) and the legitimacy theory (Dowling and Pfeffer, 1975). These theories endeavor to explain the relationships and expectations of various stakeholders (Rinaldi *et al*, 2014) as cited by Shanmugan (2017). Fox (1984) posits that the agency theory is favored by most researchers because it permits unbiased explanations that incorporate conflict of interest, incentive problems and mechanisms put in place to control these challenges. In light of this, previous studies on sustainability reporting and corporate governance focus on their relationship paying particular attention to corporate governance mechanisms that directly reduce information asymmetries for the benefit of specific stakeholder groups without positioning the two concepts relative to each other. This study seeks to draw the lines connecting a number of theories which explain these relationships to allow for a deeper understanding which surpass sustainability rhetoric as posited by Giovannoni and Fabietti (2014).

Theories such as agency theory (Jensen and Meckling, 1976), stakeholder theory, stewardship theory (Donaldson and Davis, 1991), legitimacy theory (Dowling and Pfeffer, 1975), signaling theory (Shi, Kim and Magnan, 2014), proprietary theory (Verecchia, 1983; Diamond, 1985), institutional theory, (Scott, 1995), resource dependency theory, (Pfeffer & Salancik, 1978), social proof theory (Cialdini, 1993) and critical mass (Schelling, 1978) inform the basis of this study. This is mainly to narrow the gap between the concepts understudy as evidenced in existing literature which tend to isolate the theories from each other.

Moreover, literature shows that mostly the theories which have been studied to explain the relationship between sustainability reporting include agency theory, political economy theory and stakeholder theory. (Gray et al, 1996; Haniffa and Cooke, 2005; Deegan and Blomquist, 2006; Othman and Ameer, 2009; Malkawi *et al*, 2014). Gray et al (1996) argues that these theories share many similarities hence overlap with each other for example the legitimacy and stakeholder theories which postulate that a firm is part of a social system in which the corporate and society influence each other. The influence of the corporate is mainly centred on those charged with corporate governance particularly on issues relating to sustainability reporting. (Samaha, 2010). To buttress this argument, resource dependency theory (Pfeffer & Salancik, 1978) stipulates that the external resources of the corporate affect the functioning and behavior of the firm. Haniffa and Cooke, (2005) argue that at management level, one of the important resources is labour as transcended by the calibre of the "brains" of the organisation. Since it is the responsibility of the management to drive corporates by efficient procurement of resources, it is important to note that their ability to create interlocks, alliances and corporate influence to overcome dependencies and improve firm's autonomy and legitimacy is very key (Kolk, 2017). To this end, the influence of those charged with governance is very critical thus positions the corporate governance mechanisms such as board composition, board gender diversity, board size, CEO/Chairman duality, sustainability committee and multiple directorship as key drivers which may influence the sustainability reporting of a company.

The fact that stakeholder theory provides a better framework linking sustainability reporting and corporate governance as cited by Michelon and Parbonetti, (2010) proves thoughtful as it suggests that the two cements stakeholder engagement and corporate legitimacy. Corporates endeavor to attain societal legitimacy by reporting social and environmental verifiable information. (Deegan, 2007; Cho and Patten, 2007). The symbolic actions as transcend by the corporate governance mechanisms of a company often gives organisational legitimacy (Dowling and Pfeffer, 1975; Elsbach, 1994; Neu et al, 1998; Kolk, 2017). In the same vein, Aguilera et al (2006) argues that sound systems of corporate governance increase the level of organisational legitimacy. The institutional theory becomes a relevant theory to explain how a corporate attains its legitimacy (Hahn and Kuhnen, 2013). This fits well with isomorphic mechanisms of institutional theory namely coercive, mimetic and normative according to Meyer and Rowan, (1977). The theory informs literature on how institutions relate to each other and most importantly to this study on how social actors can affect their institutional context.

Spencer, (1973) argues that most corporates usually, reports on what paints a good picture about them. Shin, Kim and Magnan, (2014) echo the same sentiments through the use of the signaling theory to explain the reporting practices of firms. The theory of proprietary costs as penned by Verrecchia, (1983) suggests that companies tend to avoid the reporting of information that potentially damages it and referred to these damages as proprietary costs. If taken too far, the minimisation of these costs may result in information asymmetry thereby giving birth to adverse selection (Jones, 2007). However, Akerlof, (1970) adds a dimension that the management reporting practices are shaped by their intentions to influence the behavior of stakeholders through disclosure of information that indicate the underlying realities of a company. In doing so those charged with governance tend to assume a certain behavior in an attempt to gain social acceptance as propounded by Cialdini, (1993) in the social proof theory. However, to maintain this legitimate acceptance, the companies should have a board that is ready to uphold the set values (Armar, Chang & Mcllkenny, 2015). To explain this scenario, Schelling, (1978) propounded the critical mass theory which avers that a certain number of adopters of an innovation in a social system is needed for the rate of adoption to become self-sustaining and create further growth. In this context, the corporate culture should be tilted towards gaining social acceptance at all levels, for instance through sustainability reporting. As such, the sustainability reporting practices of most companies are rooted in this regard leaving a question of the outcome mix of the corporate governance mechanisms to support their reporting practices.

The conceptual model is presented graphically in Figure 2.1 below. Based on the conceptual model, which is informed by the relevant extant literature, the study makes the relevant hypotheses in line with the sustainability reporting practices.

Theoretical model of the study

The prior studies reviewed showed that summative content analysis (qualitative) and statistical analysis (quantitative) is mostly used in this area (Wang & Clift, 2009; Bear, Rahman, & Post, 2010; Amar, Chang & Mcllkenny, 2015; Shanmugan, 2017; Ong & Djajadikerta, 2017). There is a plethora of methods used to analyse sustainability reporting. Some classified the disclosures into individual aspects such as environmental, social and economic Cho et al, 2015 and Ong & Djajadikerta, 2017, others categorised disclosures according to their nature and details of information (Wang & Clift, 2009; Bear, Rahman, & Post, 2010; Amar, Chang & Mcllkenny, 2015). The most recently used method was that of a model designed by Ong et al. 2016 as modified from the work of Clarkson et al. (2008) in which the scoring index was formulated using the GRI framework. In their study, Ong & Djajadikerta, (2017) argued that lack of comparability with other studies which have utilised other analytical methods caused challenges of research replication thus rectified this problem by devising an appropriate scoring index that integrates the environmental, social and economic indicators as stipulated by the GRI guideline. To this end, given the GRI annual rankings and the position of Zimbabwean capital markets, the researcher adopted and modified the newly developed reporting index in Ong et al. (2016).

Modification of Ong et al.'s 2016 scoring index

This study utilised the fundamental classifications in Ong et al.'s 2016 model of hard and soft disclosures as refined from Clarkson et al.'s (2008) environmental index. The integration of economic, environmental and social dimensions of sustainability made Ong et al.'s (2016) model very useful and in line with the GRI framework. The index consisted of two major categories, hard and soft disclosures. Hard disclosures are verifiable reported items such as governance structure, spending related to sustainability, credibility and economic, environmental and social indicators. The soft disclosures are the non-verifiable disclosures for instance vision and strategy claims, sustainability initiatives and disclosures on management approach in terms of economic, environmental and social disclosures. To cater for the Zimbabwean scenario under study, the researcher combined some of the categories on the Ong et al.'s (2016) model. This is in-line with the Shanmugan, (2017) and Ong & Djajadikerta, (2017) who argued that the index used in a study should reflect on the general developmental levels of the jurisdiction under study. In their studies they agreed that the indicators of sustainability should at least be in line with the GRI guideline thus meeting global standards hence therefore permit replication of results. To this end, this study combined the adopted hard disclosure items and formulated four measures that is governance structure and management systems, credibility, environmental performance indicators, economic performance indicators, social performance indicators and spending related to sustainability. The soft disclosure items were also bundled-up into vision and strategy claims, sustainability initiatives and the management approach to economic, environmental and social disclosures.

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The highlighted areas in the Appendix A show the modifications made. These areas were collated to enhance and improve data analysis. Cohen et al. (2007) posited that when large volumes are data are collected, categorisation and collation improves analysis of the data. Saunders et al. (2008) buttressed this point by advocating that data is made useful when it is analysed in well distinguished groups. Ong et al. (2016) postulate that the classifications by nature of disclosures helped in the analysis of sustainability reporting data, thus the study modelled categorises of Ong et al.'s (2016) scoring index into the following:

Hard disclosure items (HDI)

- Governance structure and management systems
- Credibility
- Economic performance indicators
- Environmental performance indicators
- Social performance indicators (collated information: labour; human rights; society; product responsibility)
- Spending related to sustainability

Soft Disclosure Items (SDI)

- Vision and strategy
- Sustainability initiatives
- Disclosures on management approach to economic issues
- Disclosures on management approach to environmental issues
- Disclosures on management approach to social issues

Table 1.1: The new modified scoring index

Category		**Items**	**Maximum scores**
Hard Disclosure Items (HDI):			
A1	Governance structure and management systems	9	9
A2	Credibility	5	5
A3	Economic performance indicators	3	18
A4	Environmental performance indicators	11	66
A5	Social performance indicators	25	150
A6	Spending related to sustainability	2	2
	Total Hard Disclosure Items	55	250
Soft Disclosures Items (SDI)			
A7	Vision and strategy claims	7	7
A8	Sustainability initiatives	3	3
A9	Disclosures on managerial approach- Economic	3	3
A10	Disclosures on managerial approach- Environmental 9	9	
A11	Disclosures on managerial approach- Social	25	25
Total Soft Disclosure Items		47	47
Total disclosures		102	297

Source: Authors

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The modified scoring index above shows the eleven categories made up of **A1** to **A6** which are hard disclosure items and are given a score of zero to six, depending with the information disclosed in accordance with the range of indicators. More points are awarded on the basis of more relevant data presented. The soft disclosure items ranges from **A7** to **A11** and the scores are awarded on the basis of one or zero for categories **A7** to **A10** and zero to five for **A11**. The category **A11** is different in scoring because of the collation made in the modification of Ong et al.'s (2016) scoring index.

Hypothesis development

Corollary to the foregoing discussion, the reviewed literature tends to suggest that corporate governance alludes to a series of related overlapping mechanisms which are pertinent in shaping contemporary corporates. It is in this vein that the study explores corporate governance mechanisms evident in reporting practices of listed companies and their influence on sustainability reporting. The study adopts a positivist approach by developing several hypotheses based on the theories as stated in the conceptual model.

Board composition: Independent non-executive directors

The board composition reflects the drive force and the environment in which the company operates thus vital in shaping its future viability and growth prospects (Pfeffer & Salancik, 1978). Fama, (1980) echoed the same sentiments by positing that the board of directors is the key central internal control mechanism for management monitoring. The boards with a higher proportion of independent directors tend to increase the quality of monitoring over the management due to their non-affiliation with the firm hence more representative to the needs of internal and external stakeholders (Fama & Jensen, 1983; Haniffa & Cooke, 2005; Chau and Leung, 2006; Michelon & Parbonetti, 2012). The increase in the number of independent directors helps the board to be assured of objectivity due to a diverse and multiple perspectives brought into the firm.

A number of scholars (see, for example, Michelon & Parbonetti, 2012; Shanmugam, 2017; Samaha et al, 2012; Ho & Wong, 2001; Ong & Djajadikerta, 2017; Aman & Bakar, 2017) have investigated the impact of board composition on the level of sustainability reporting practices. The relationship between board composition as depicted by the number of independent non-executive directors and sustainability reporting has not been consistent. On one hand, Ho & Wong, 2001; Rupley et al, 2012; Samaha et al, 2012 and Shanmugan, 2017) established a positive association between the number of non-executive directors and the level of sustainability reporting practices. That is, the more the number of independent directors, all being equal, the higher the chances that the company will score better on its sustainability reporting practices. The argument for this conclusion was that the independent non-executive directors are from diverse backgrounds hence facilitates stakeholder engagement thus resulting in advocating for more sustainability reporting to cater for the multifarious stakeholders whom they represent. (Michelon & Parbonetti, 2012; Ong & Djajadikerta, 2017). The external directors provide a better link between the internal and external affairs of the company thus perpetuating more disclosures particularly about the impact of organisation on the environment and the society. In support of this view, Shanmugan, (2017) argued that the non-executive directors acquaint the board with enhanced monitoring of the corporate reporting and more expertise which enables the company to engage more on sustainability reporting.

However, on the other hand, research by Ho & Wong, (2001) find no association between the number of independent non-executive directors and the sustainability propensity of companies in Hong Kong.

In this present study, it is predicted that companies listed on the ZSE are bound to engage more on sustainability reporting given more independent non-executive directors on their board structures. The study therefore hypothesises that there is a direct relationship between proportion of independent non-executive directors and the level of sustainability reporting practices as indicated in the conceptual model in Figure 2.1. To this end, the researcher make the following hypothesis, ceteris paribus:

H_1: There is a positive significant association between the proportion of independent non-executive directors and the extent of sustainability reporting practices by ZSE listed companies.

Sub-hypotheses become:

H_{1a}: There is a positive significant association between the proportion of independent non-executive directors and the extent of environmental disclosures provided by companies on the ZSE.

H$_{1b}$: There is a positive significant association between the proportion of independent non-executive directors and the extent of social disclosures provided by companies listed on the ZSE.

H$_{1c}$: There is a positive significant association between the proportion of independent non-executive directors and the extent of economic disclosures provided by companies on the ZSE.

Board gender diversity: Women on boards

Women involvement in leadership positions has been the talk of the 21st century particularly in developing countries. In an effort to cushion the governance reforms, Adams & Ferreira, (2009) underscored the importance of gender diversity on boards. Board gender diversity refers to the existence of women as board of directors (Dutta & Bose, 2006). Board gender diversity was advanced by some researchers to explain variability levels of sustainability reporting by companies across the world (see, for example Hillman, Cannella Jr, & Harris, 2002; Konrad, Kramer, & Erkut, 2008; Srindhi, Gul, & Tsui, 2011; Wang & Clift, 2009; Bear, Rahman, & Post, 2010; Amar, Chang & Mcllkenny, 2015; Shanmugan, 2017; Ong & Djajadikerta, 2017). Prior studies have highlighted the benefits of women on the boards for instance, creation of better atmosphere (Huse & Solberg, 2006), improved decision-making process (Adams & Ferreira, 2009), enhanced board independence (Kang at al., 2007) and improved and more social responsibility (Webb, 2004). Empirical findings on the relationship between board gender diversity and sustainability reporting yielded mixed conclusions. Rupley et al. (2012) found that gender diversity was positively related to the environmental disclosures. In a comparative study by Fernandez-Feijoo, Romero, & Ruiz-Blanco (2014) aimed at examining sustainability reporting practices of the global fortune 250 and 100 largest companies in 22 countries, it was found that corporates with more than three women on their boards, tend to report more on sustainability issues as compared to those with less three women on their boards. In a study conducted in Australia by Ong & Djajadikerta (2017) it was found that there was a positive significant correlation between board gender diversity and sustainability reporting. To echo the same sentiments is a study by Amar, Chang & Mcllkenny (2015) which concluded that women on boards enhances board effectiveness in stakeholder management through promotion and adoption of sustainability initiatives. To this end, the researcher hypothesises that the existence of women on the corporate board have an influence on the level of sustainability reporting practices. Thus, in line with the conceptual model highlighted in **Figure 2.1**, ceteris paribus, the second set of proposed hypotheses are as follows:

H$_2$: There is a positive significant relationship between the proportion of women directors on the corporate board and the level of sustainability reporting practices by companies listed on the ZSE.

Sub-hypotheses become:

H$_{2a}$: There is a positive significant relationship between the proportion of women directors on the corporate board and the extent of environmental disclosures by companies listed on the ZSE.

H$_{2b}$: There is a positive significant relationship between the proportion of women directors on the corporate board and the extent of social disclosures by companies listed on the ZSE.

H$_{2c}$: There is a positive significant relationship between the proportion of women directors on the corporate board and the extent of economic disclosures by companies listed on the ZSE.

Board size: Number of directors appointed on the board

Extent literature on board size has produced different results thus being inconclusive (see, for example, Belkhir, 2009; Al-Janadi, Rahman, & Omar, 2013; Shanmugam, 2017). The divergent perspectives being proponents of larger boards and proponents of a smaller boards. Jensen, (1993) postulated that board size is an important corporate monitoring mechanism which has proved to be an effective indicator of internal monitoring. The argument for larger boards has been cited to be in line with the resource dependency theory which argues that a larger board ropes in a variety of knowledge and ability to manage corporate resources (Pfeffer, 1972). A contrary view advocates for a small board size arguing that it provides more quality of monitoring due to less contradictions in thinking and perspectives among the directors (Hampel Report, 1998). In their study conducted in Saudi Arabia, Al-Janadi, Rahman, & Omar, (2013) found there is a positive significant relationship between board size and voluntary corporate disclosure citing that a larger board size entails the ability to contribute in providing quality reports.

However, in line with the theoretical underpinnings of the resource dependency theory as shown in the conceptual model Figure 2.1 and given that empirical evidence is inconclusive on the perfect board size to enhance better sustainability reporting, the study hypothesises that, ceteris paribus:

H_3: There is a positive significant relationship between large board size and the extent of sustainability reporting practices by ZSE listed companies.

Sub-hypotheses become:

H_{3a}: There is a positive significant relationship between large board size and the extent of environmental reporting by ZSE listed companies.

H_{3b}: There is a positive significant relationship between large board size and the extent of social reporting by ZSE listed companies.

H_{3c}: There is a positive significant relationship between large board size and the extent of economic reporting by ZSE listed companies.

Chief Executive Officer (CEO) duality: Existence of dominant personalities

Chief Executive Officer duality is a situation where the CEO of a company also holds the position of board chairperson (Michelon & Parbonetti, 2012). A considerable number of research studies have explored the relationship CEO duality and corporate disclosures (see, for example Ho & Wong, 2001; Gul & Leung, 2004; Cheng & Courtenay, 2006; Adams & Ferreira, 2009; Michelon & Parbonetti, 2012; Ong & Djajadikerta, 2017). A theoretical perspective of the concept of CEO duality points to two competing theories, agency theory and stewardship theory, in trying to explain this organisational structure (Yunos, 2011 as cited by Ong & Djajadikerta, 2017). The agency theory argues that the roles of CEO and chairperson are conflicting as the board is expected to monitor the CEO to extenuate managerial opportunism. In this vein, Forker, (1992) echoed the same sentiment by pointing that the existence of a dominant personality commanding a corporate may be detrimental to the interests of the shareholders. In line with this belief, Adam & Ferreira (2009) contend that CEO duality cripples the board independence due to excess power vested in the CEO thus impinging good corporate governance practices. Contrary, the stewardship theory posits that CEO duality buttresses the effectiveness and efficiency of the roles of the CEO and chairperson through the reduction of information asymmetry problem between the management and the board resulting in timeous decision making.

In a study conducted on the European and American companies by Michelon & Parbonetti, (2012), it was found that CEO duality is negatively correlated to sustainability disclosures. Gul & Leung (2004) also observed a negative association between CEO duality and the extent of voluntary disclosures. One argument forwarded for this counter intuitive discovery was that sustainability disclosures may be influenced by personality of the CEO, type of decisions expected (for example quick decisions in aircrafts industries) and business set-up such as those in family companies. Ho & Wong (2001) and Cheng & Courtenay (2006) found no association between CEO duality and the extent of voluntary disclosure. In a comparative study conducted in Australia by Ong & Djajadikerta, (2017) it was found that companies without CEO duality disclosed more sustainability information than those with CEO-cum-chairperson. This presented a dilemma on the conclusiveness of the relationship between CEO duality and sustainability reporting. In this research, the researcher contends that CEO duality negatively affects the sustainability reporting through the abuse of powers to cushion the interests of the CEO-cum-Chairperson. To this end, the study hypothesises that, ceteris paribus:

H_4: There is a negative association between CEO duality and sustainability reporting practices of companies listed on the ZSE.

H_{4a}: There is a negative association between CEO duality and environment reporting of companies listed on the ZSE.

H_{4b}: There is a negative association between CEO duality and social reporting of companies listed on the ZSE.

H_{4c}: There is a negative association between CEO duality and economic reporting of companies listed on the ZSE.

Sustainability committee: Existence of a sustainability committee

The sustainability committee has been an important mechanism and continued to evolve over time to encompass such roles as monitoring the reporting practices at corporate board level (Michelon & Parbonetti, 2012). The Smith Report (2003), UK Combined Code (1998), Cadbury report (1992), Sarbanes- Oxley Act (2002) and South Africa's King's Report IV (2016) all draw towards the compulsory existence of an audit committee in listed companies which is comprised of independent board members. Given the growing importance to address corporate sustainability issues, there is a clear need for a sustainability committee to compliment the functionality of the audit committee. This has seen the endorsement of this pertinent committee in corporate governance codes of many jurisdictions for example South Africa' King Report IV, Dutch Corporate Governance Code, Chile's Corporate Governance Code of 2010. In the same making with the audit committee, the sustainability committee requires independent and objective members to have an oversight of the sustainability issues. This dove-tails with a theoretical underpinning as predicted by the agency theory stipulates that the audit committee has the responsibility to lower the agency costs through advocating for best international practices thus should consist of mainly non-executive directors.

Previous studies have found different findings pertaining to the relationship between the existence of a sustainability committee and the extent of corporate disclosures (see, for example, Ho & Wong, 2001; Rupley et al, 2012; Michelon & Parbonetti, 2012; Ong & Djajadikerta, 2017). In a study conducted by Rupley et al. (2012) on 361 US companies listed on the Dow Jones Global Index found there was no strong significant relationship between the existence of sustainability committee and the extent of sustainability disclosures. Michelon & Parbonetti (2012) observed the same results and goes a step further to argue that the results could be attributable to the age of the sustainability committees in their studied sample. Ho & Wong (2001) found out that the existence of a sustainability committee reinforces a corporate's dedication to its sustainability disclosures. Since there are limited existing studies that have investigated the effect of sustainability committee on the level of corporate sustainability disclosures, in this study the researcher presumes that the sustainability committee members tend to possess better knowledge, expertise and passion towards sustainability issues. To this end, the study hypothesises that the existence of a sustainability committee in an organisation positively influence on the sustainability reporting practices. Thus, in line with the conceptual model in Figure 2.1 and reviewed literature ceteris paribus:

H_5: There is a positive significant relationship between existence of a sustainability committee and the extent of sustainability reporting practices in ZSE listed companies.

H_{5a}: There is a positive significant relationship between existence of a sustainability committee and the extent of environmental reporting in ZSE listed companies.

H_{5b}: There is a positive significant relationship between existence of a sustainability committee and the extent of social reporting in ZSE listed companies.

H_{5c}: There is a positive significant relationship between existence of a sustainability committee and the extent of economic reporting in ZSE listed companies.

Multiple Directorships:

Multiple directorships refer to the situation in which a board member seats on more than one board of directors of various companies. The serving of a number of boards signal director's expertise and experience, (Fama & Jensen, 1983). The issue of multiple directorships has been common in the field of corporate governance, only a meagre of studies focused on its effect on sustainability reporting.

Rupley et al. (2012) postulate that multiple directorships expose board members to more corporate practices through the interacting with a number of other board members. In their study which consisted of Dow Jones Global Index companies, it was observed that in the context of sustainability reporting, firms with members serving on multiple boards tended to have greater exposure to reporting practices of these various companies. In their research, a positive significant relationship between the proportion of multiple directorship and sustainability disclosures. Contrary, Lipton & Lorsch (1992) posits that multiple directors could adversely affect the practice of corporate governance as directors are distracted by oodles of information and matters of other organisations. The existence of diverging and conflicting views in extant literature results in inconclusiveness on the relationship between multiple directorship and sustainability reporting. To this end, this research contends that multiple directorship results in higher levels of exposure resulting in an improved sustainability reporting. The study hypothesises ceteris paribus that:

H_6: There is a positive significant relationship between multiple directorship and sustainability reporting practices in ZSE listed companies.

Sub-hypotheses become:

H_{6a}: There is a positive significant relationship between multiple directorship and environmental reporting in ZSE listed companies.

H_{6b}: There is a positive significant relationship between multiple directorship and social reporting in ZSE listed companies.

H_{6c}: There is a positive significant relationship between multiple directorship and economic reporting in ZSE listed companies.

Control variables

Prior studies on sustainability reporting and corporate governance considered a number of control variables (Ho & Wong, 2001; Rupley et al, 2012; Michelon & Parbonetti, 2012; Ong & Djajadikerta, 2017). These studies used the control variables such as industry, gearing (leverage), profitability and firm size. In a study conducted on the United Kingdom listed companies on intellectual capital voluntary disclosure, Mkumbuzi, (2016) argues that the use of control variables helps in the comparative analysis of results thus minimising unfounded conclusions. Michelon & Parbonetti, (2012) echoed the same sentiments by advocating for a reasonable amount of possible control variables. Amar et al (2015) considered sales, leverage, return on total asset and return on equity. Hannifa & Cooke, (2005) found that there is a positive relationship between company size and sustainability reporting quality. Rupley et al. (2012) buttressed this finding by citing that large companies have more resources to use for sustainability reporting. Shanmugam, (2017) considered leverage as a control variable and found that highly geared companies disclosed more information on sustainability. Hannifa & Cooke, (2005) and Michelon & Parbonetti, (2012) found that profitable companies tend to disclose more environmental information to their stakeholder to foster legitimacy. Contrary, Ho & Wong (2001) differed and argued that most profitable firms tend to disclose only the information that benefits them and this goes in line with signaling theory. On the other hand, most prior studies regarded industry as an important factor that influence sustainability reporting (Amar, Chang & Mcllkenny, 2015; Shanmugan, 2017; Ong & Djajadikerta, 2017). To this end, the researcher considered firm size, gearing, industry and profitability as the control variables to foster comparative analysis as advocated by Mkumbuzi (2016).

3. ANALYSIS AND PRESENTATION OF RESULTS

Descriptive Statistics

The sample size consists of 61 active Zimbabwe Stock Exchange companies. Descriptive statistics (minimum, maximum, mean and standard deviation) of all variables are shown in Table 4.1. The highest disclosure score is for the economic performance indicators as shown by the mean total economic score is 16.7213 relative to the 13.7869 and 4.9834 of the social and environmental indicators respectively. This reflects that ZSE companies reports more on economic performance indicators and very few items on environmental aspects. The study has also noted that social indicators disclosures have a relatively high score.

The Table 4.1 shows that the women participation on boards is very low with an average mean of 18.85% of the total board members. The control variables which were used to stabilise the independent variables did not show much variability. The average directors of the ZSE listed companies is 9 which is quite reasonable given the demand of the board committees in most companies. The CEO Duality did not show any results because of the non-availability of the other category (existence of CEO Duality) thus the statistical package regarded it as a constant.

Table 1.3: Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Total Environmental Score	61	2.00	7.00	4.9834	1.14734
Total Social Score	61	8.00	17.00	13.7869	1.80845
Total Economic Score	61	14.00	19.00	16.7213	1.00218
Proportion of Independent Non-Executive Directors	61	.38	.99	.7241	.12552
Ratio of females to the board of directors	61	.00	.56	.1885	.10550
Number of Directors	61	5	14	9.10	2.063
CEO-cum-Chairman	61	0	0	.00	.000
Existence of sustainability Committee	61	0	1	.02	.128
Existence of one or more board member(s) seating on more than one board	61	0	1	.72	.452
Logarithm of total assets	61	6796379	2.E9	1.66E8	3.301E8
Debt to equity ratio	61	.1	.9	.516	.2326
Sector of the firm	61	0	1	.56	.501
Return on assets	61	.014	.160	.06339	.032747
Total Sustainability Reporting Score	61	28.00	40.00	35.4916	2.35675
Valid N (listwise)	61				

Correlation Analysis

In this section, presentation of the results of the Kendall's tau-b correlation analysis done as extracted from SPSS version 21 package.

Table 1.4: Significance Values for Variables against Sustainability Reporting measures

Variable	Environmental Disclosures	Social Disclosures	Economic Disclosures	Total Sustainability Reporting
Board Independence	0.064	0.112	0.236	0.129
Board Gender Diversity	0.201	0.268	0.298	0.231
Board Size	0.043	0.061	0.047	0.083
CEO Duality	0.000	0.000	0.000	0.000
Multiple Directorship	0.121	0.683	0.313	0.183

Source: Authors

Hypotheses Testing

In this section, the hypothesized associations for the various corporate governance mechanisms and the sustainability reporting components are refuted or accepted. The decisions to accept or refute are based on the Kendall's tau-b coefficient Analysis presented in Table 4.2.

Hypothesis 1: Proportion of Non-Executive directors

The results from the on-parametric test Kendall's tau-b on a two-tailed test indicated that there were significant positive correlations between the proportion of non-executive directors and the total sustainability reporting (Kendall's tau-b correlation coefficient, τ= 0.129, p= 0.022, N= 61), social disclosure (τ= 0.112, p= 0.032, N= 61), and economic disclosures (τ= 0.236, p= 0.032, N= 61). The hypotheses $\mathbf{H_1}$, $\mathbf{H_{1b}}$ and $\mathbf{H_{1c}}$ were supported at 5% significance level. However, no significant statistical result was obtained to support hypothesis $\mathbf{H_{1a}}$ on environmental disclosures (τ= 0.064, p= 0.081, N= 61).

The proportion of the non-executive directors and total sustainability reporting was found to be significantly positive. This result dove-tails with the empirical results of prior studies which have also revealed a similar relationship between the proportion of non-executive directors and the total sustainability reporting (Ho & Wong, 2001; Rupley et al, 2012; Samaha et al, 2012 and Shanmugan, 2017). A study by Ong & Djajadikerta (2017) carried out in Australia on 133 listed companies using the Ong et al's (2016) GRI scoring index showed similar results of a positive significant correlation between proportion of non-executive directors. The index used in this study modified the Ong et al's (2016) model thus the similarity in results can be the coincidence of the categories used in the two studies. However, to avoid the sameness of the categories which could affect the results, the categories were collated in this current study.

Contrary to the correlation found in Ho & Wong, (2001) find no association between the number of independent non-executive directors and the sustainability propensity of companies in Hong Kong. This difference in the outcome could be attributable to the disparities between the two studies in terms level of capital market development, the scoring index used and the period of study.

The positive significant results that supported the hypotheses ($\mathbf{H_1}$, $\mathbf{H_{1b}}$ and $\mathbf{H_{1c}}$) reflect on the board diversity as measured by the board independence in the proportion of non-executive directors. It was noted that the ZSE listed companies have an average of 72.41% non-executive directors on their boards. This helps the companies to have an outward looking foresight as facilitated by the external perspectives of the independent members. The engagement of more independent non-executive directors assisted the companies to cater for the needs of a diverse spectrum of stakeholders that is in line with the stakeholder theory as postulated by Rupley et al. (2012). Sustainability reporting is facilitated by the non-executive directors as they try to improve transparency and accountability in companies. This conclusion concurs with that of Shanmugan, (2017) who suggested that the level of transparency and accountability tend to be enhanced as the non-executive directors strive to improve companies' reputations through sustainability reporting as propounded by the legitimacy theory. This is in line with the conclusions by Samaha et al (2012) who suggested that the non-executive directors tend to bring on board the recommendation on topical issues that are trending such as fostering government and global initiatives aimed at improving sustainability reporting. The non-executive directors are a useful ingredient in improving sustainability reporting as they buttress on long term foresight in terms of environmental, social and economic mutual benefits.

Hypothesis 2: Board Gender Diversity (Women on Board)

The results from the statistical test of Kendall's tau-b revealed that all the hypotheses were fully supported at 5% significance level. Significant positive correlations existed between the proportion of women directors on the board and the total sustainability reporting (τ= 0.231, p< 0.005, N= 61), environmental disclosure (τ= 0.201, p= 0.005, N= 61), social disclosure (τ= 0.268, p< 0.005, N= 61), and economic disclosure (τ= 0.298, p< 0.005, N= 61). The robustness of the tests was improved through the application of bootstrapping at 95% confidence level thus the results fully supported the set of Hypotheses 2.

The interest on the issues to do with the women on boards have sparked in recent times (Hillman, Cannella Jr, & Harris, 2002; Konrad, Kramer, & Erkut, 2008; Srindhi, Gul, & Tsui, 2011). Most of the prior studies have shown improved board performance in terms of governance practices as highlighted by Adams & Ferreira, (2009). In support of the results found in this study, Rupley et al. (2012) found that gender diversity was positively related to the environmental disclosures. Also in concurrence is a study conducted in Australia by Ong & Djajadikerta (2017) it was found that there was a positive significant correlation between board gender diversity and sustainability reporting. Fernandez-Feijoo, Romero, & Ruiz-Blanco (2014) aimed at examining sustainability reporting practices of the global fortune 250 and 100 largest companies in

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22 countries, it was found that corporates with more than three women on their boards, tend to report more on sustainability issues as compared to those with less three women on their boards.

Descriptive statistics from this study revealed that on average 18.85% of the board members on ZSE listed companies are women. Despite the low percentage of the women participation on boards, the significant positive correlation found in this study reflects on the substantial contribution of women to sustainability reporting. This was also buttressed by Staveren (2014) who explored the Lehman Sisters hypothesis and found that very few women makes it to the top and they tend to perform better than their average male counterparts. The study came to the realization that there is need to encourage women participation on ZSE listed companies' boards to enhance sustainability reporting.

Hypothesis 3: Board size

Results from the non-parametric Kendall's tau-b on a two-tailed test indicated that there were no significant statistical results to support the correlation between the large board size and the total sustainability reporting (Kendall's tau-b correlation coefficient, $\tau = 0.083$, $p = 0.091$, $N = 61$), environmental disclosure ($\tau = 0.043$, $p = 0.064$, $N = 61$), social disclosure ($\tau = 0.061$, $p = 0.073$, $N = 61$), and economic disclosure ($\tau = 0.091$, $p = 0.094$, $N = 61$). To ensure that the results were robust, bootstrap tests passed at 95% confidence interval.

There was no significant correlation between the large board size and total sustainability reporting. This result is not in line with prior research as extant literature either supports or disregards large board size. In their study conducted in Saudi Arabia, Al-Janadi, Rahman, & Omar, (2013) found there is a positive significant relationship between board size and voluntary corporate disclosure citing that a larger board size entails the ability to contribute in providing quality reports. Contrary, Shanmugam, (2017) found that a smaller board size is better by arguing that quality monitoring prevails due to less contradictions in perspectives by directors. Also the Hampel Report (1998) advocates for a smaller board size and cited improved board monitoring as the major advantage.

In contrast to the correlations found by Al-Janadi, Rahman, & Omar, (2013) and Shanmugam, (2017) between the size of the board and sustainability reporting, the disparities could be attributed to the number of companies in this study, the level of capital market development and the industry types.

The descriptive statistics reveals that on average the ZSE listed companies have a board size of nine members. The onus lies on the competences of the board members in being able influence the sustainability reporting practices of the listed firms. To this end, the study supports the inconclusiveness of the debate on the right board size. The control variables namely the firm size, leverage, industry and profitability also failed to validate the pattern of large board size and sustainability reporting. The existence of dormant board members poses challenges on ascertaining the optimal board size.

Hypothesis 4: CEO Duality

The descriptive statistics showed that al the firms listed on the ZSE does not have CEO Duality. This resulted in the coded categories of no CEO Duality and existence of CEO Duality resembling a constant thus could not yield any results as all the firms belonged to the same category of having no CEO duality. The Hypotheses 4 which predict that there is a negative correlation between the CEO Duality and sustainability reporting practices could not either be rejected or accepted. Hence it follows that all the other hypotheses ($\mathbf{H_{4a}}$, $\mathbf{H_{4b}}$ and $\mathbf{H_{4c}}$) were not proven.

In line with prior studies, the CEO Duality concept boils down to the hefty debate of the conflicting theories namely agency and stewardship theories. Advocates for a CEO Duality cited that flexibility, quick decision-making and reduction of information asymmetry. However, proponent against CEO Duality cited over dominance of the board as major set-back resulting in managerial opportunism.

The study however found that the level of development of the capital markets and existence of family companies influence the existence of CEO Duality and strongly believes that the ZSE listed companies could not resemble any traits that could support CEO Duality given the state of the economy.

Hypothesis 5: Existence of sustainability committee

The sample grouped into two categories based on the existence or non-existence of the sustainability committee in the companies. Out of the total 61 companies studied, only one company (1.64%) had a near proxy committee of sustainability committee and the remaining companies tend to show that the sustainability issues are housed in the audit committee. The results from the Mann-Whitney U tests indicated a significant difference that the existence of a sustainability committee in the total sustainability reporting, environmental disclosure and social disclosure compared to those without ($p< 0.001$, two tailed). However, the economic disclosure tend to be the same thus proved not significant to the existence of sustainability committee.

These results are concur with those of Michelon & Parbonetti (2012) who observed the same results and goes a step further to argue that the results could be attributable to the age of the sustainability committees in their studied sample. In the same vein, Ho & Wong (2001) found out that the existence of a sustainability committee reinforces a corporate's dedication to its sustainability disclosures. Rupley et al. (2012) on 361 US companies listed on the Dow Jones Global Index found that there was no strong significant relationship between the existence of sustainability committee and the extent of sustainability disclosures. In justifying the disparities, Michelon & Parbonetti (2012) suggested that some of the traditional proxies such as directors' independence, board size and CEO Duality may not be sufficient to represent the service role of the boards. Also, the factors such as skills and expertise of the board members on sustainability issues are very key.

In this study, the existence of a sustainability committee suggested enhanced sustainability reporting practices though the economic disclosure tend not to be influenced. This reflects that companies with sustainability committee dedicate resources to improve on sustainability initiatives and performance. However, the audit committee seems to be used by most ZSE companies to drive sustainability initiatives which may result in them overlooking some of the important aspects of sustainability reporting practices given the functions of the audit committee. Also a deeper analysis of the existent sustainability committees gives a fair assessment in-terms of the frequency of sustainability committee meetings and the expertise of the members constituting the sustainability committee.

Hypothesis 6: Multiple Directorship

The results from the non-parametric Kendall's tau-b tests revealed that all the hypotheses were fully supported statistically (one-tailed, N=61) at the 5% significance level. Most of the firms used in this study record information on the multiple directorships on their directorate information. Positive significant correlations were found between companies with at least one multiple director and the total sustainability reporting (Ʈ= 0.183, p= 0.001, N= 61), environmental disclosure (Ʈ= 0.121, p= 0.001, N= 61), social disclosure (Ʈ= 0.683, p= 0.013, N= 61), and economic disclosure (Ʈ= 0.313, p= 0.001, N= 61). These robust results were obtained through bootstrapping performed at 95% confidence interval. Thus, the results fully supported the set of Hypotheses 6.

The same results were found in a study conducted by Rupley et al (2012) who concluded that having more multiple directorship members on the board helps the board members to understand and be exposed to sustainability reporting practices thus leading to a spike in the sustainability reporting. However, Lipton & Lorsch (1992) found that multiple directors could adversely affect the practice of corporate governance as directors are distracted by oodles of information and matters of other organisations thus resulting in overlooking some of the sustainability initiatives.

In this study, the presence of multiple directorships has shown enhanced sustainability reporting practices due to diversity of skills, exposure to more situations and experience with the trending sustainability initiatives. This helps the board members to keep abreast with the changing demands in diverse business models.

4. CONCLUSIONS AND RECOMMENDATIONS

The study enables us to conclude that the Zimbabwe Stock Exchange listed companies boast of a myriad of corporate governance mechanisms including board independence, board gender diversity, multiple directorships, board size, external auditors, and board committees. The stringent listing requirements, national code for corporate governance (ZIMCODE), the participation of the ZSE in international groupings (such as African Securities Exchanges Association and Committee of SADC Stock Exchanges) and the regulatory requirements explains the existence of these corporate governance mechanisms.

The study affords us to conclude that most of the companies report economic information followed by social disclosures and report very little on the environmental disclosures. Companies mostly in the mining and manufacturing sectors are relatively better in-terms of environmental disclosures. Most of the information disclosed on the three sustainability clusters tend to be favourable in the eyes of the reporting companies. A closer look revealed lack of knowledge and skills on how to disclose some of the sustainability issues on the managers.

The study concluded that corporate governance mechanisms influence sustainability reporting because they are the basic ingredients which brings about sustainability reporting thus sustainability reporting is a clear level of corporate governance. The study also affords us to conclude that there existed a significant correlation between most of the corporate governance mechanisms and sustainability reporting as shown by the accepted hypotheses tying corporate governance mechanisms to sustainability clusters using the Kendall's tau-b statistical tests. Thus, a situational approach on corporate governance mechanisms can be used to improve sustainability reporting practices.

The study concluded that there are very key ingredients to improve sustainability reporting which include appointing more independent non-executive directors who are not dormant on the boards, including more women on the boards, encouraging multiple directorships in board members and establishment of a competent sustainability committee.

Recommendations

Policy-makers should consult the experts in the sustainability reporting area through multi-stakeholder engagements and come-up with a home-grown sustainability initiative guide with a global perspective. The Global Reporting Initiative Report can be a better starting point. Tax incentives can be granted to abiding companies as a strategy to encourage sustainability reporting. This can be a strategy to lure international investment.The sustainability reporting has remained a rhetoric because most of the corporate top personnel have no prerequisite skills and knowledge to drive sustainability reporting initiatives within their companies. Private institutes such as Institute for Sustainability Africa (Insaf) are very resourceful in this regard of training and sharing sustainability perspectives with the corporate leaders. This can ensure the cross pollination of knowledge and skills to improve sustainability reporting.

To ensure that the sustainability reporting becomes part of the governance system, courses aimed at unpacking the nitty-gritties of sustainability reporting should be introduced at colleges. This enables the future managers to have an intuitive drive to practice sustainability reporting. The future of institution lies in the quality of the education systems. The study has revealed that the existence of a sustainability committee improves the sustainability reporting practices of companies. The formation of a department in firms which is poised with the sole responsibility to manage the sustainability issues. This ensures that the sustainability standing a company is enhanced as the sustainability aspects permeate and fuse to other departments and cements into corporate culture.

The participation of the locals in the setting of international or global reporting standards is very minimal thus companies may not be willing to implement these globally acceptable initiatives. Nevertheless, firms should come-up with their own sustainability guidelines to guide them on the sustainability reporting issues. A "glocalisation" (act global on a local context) of the guidelines encourages participation thus resulting in improved sustainability reporting.

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