GOVERNANCE AND SUSTAINABILITY: HOW CEO DUALITY SHAPES REPORTING PRACTICES IN AN EMERGING ECONOMY

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Abstract

This study examines the relationship between chief executive officer (CEO) duality and sustainability reporting based on 200 companies listed on the Bombay Stock Exchange (BSE) from 2018 to 2023. Secondary data from corporate governance, sustainability, and annual reports were analyzed using content analysis based on the GRI-G4 framework. The findings revealed that, on average, firms disclosed 72 percent of the G4 elements. Regression analysis showed that CEO duality has a significant negative impact on sustainability disclosures, supporting the idea that concentrated leadership power reduces accountability and transparency. This study contributes to agency theory, highlighting the benefits of separating the roles of CEO and chairperson for improved governance and disclosure quality. For corporate managers, the results suggest that leadership structures should avoid consolidating power in one individual to foster transparency and stakeholder trust. For policymakers, the study underscores the importance of regulations like the role separation rule of the Securities and Exchange Board of India (SEBI) to address governance risks and support credible sustainability reporting.

Keywords: BSE 200 Index, CEO Duality, Corporate Sustainability Reporting, OLS Model

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1. INTRODUCTION

In the field of corporate governance, whether the roles of chief executive officer (CEO) and chairman of the board should be held by one person (as commonly referred to as CEO duality) has been the subject of debate among researchers for many years. The leadership structure is critical for corporate governance because senior executives can greatly influence a firm's strategic direction, efficiency in operations, and overall performance (Gul & Leung, 2004; Ho & Wong, 2001). Since boards are normally charged with establishing reporting policies and monitoring the disclosure process, the decision of how to structure leadership is expected to affect the extent, quality, and transparency of a company's reporting significantly.

This research aims to examine the influence of CEO duality on corporate sustainability reporting practices within India. Specifically, it seeks to answer the research question:

RQ: How does CEO duality impact the corporate sustainability reporting in India?

India's unique regulatory and governance environment makes it an important setting for understanding the relationship between CEO duality and corporate sustainability reporting. The Companies Act, 2013[1] has made India the first country to

[1] https://www.indiacode.nic.in/bitstream/123456789/2114/5/A2013-18.pdf

require CSR spending, leading to a greater emphasis on sustainability disclosures. One of the most recent initiatives of the Securities and Exchange Board of India (SEBI) has been to create a Business Responsibility and Sustainability Reporting (BRSR) framework, which requires that listed firms adopt standard practices for sustainability reporting. CEO duality is still common in India, especially in family-owned and promoter-driven firms where the original owner or CEO still serves as the chair of the board of directors. While concerns regarding oversight, accountability, and oversight may be relevant to these forms of firms, there are also new governance reforms happening in India (similar to the Corporate Governance in listed Companies — Clause 49 of the Listing Agreement by SEBI, 2004) that call for more board independence and separation, tentatively and often inconsistently. Combined with the increasing demand from investors for greater environmental, social, and governance (ESG) transparency in emerging markets, these factors mean that India is an interesting context to explore the relationship between CEO duality and sustainability reporting.

Past studies have shown that CEO duality can facilitate managerial opportunism and reduce the board's effectiveness since it concentrates decision-making power and control in one individual, thus undermining best practices of board governance (Dalton & Dalton, 2005; Jensen, 1993). Jensen (1993) notes that duality allows the CEO to have advantages over the board in agenda setting, information flows, and input in CEO selection, which can reduce the board's effectiveness for monitoring and accountability. The concentration of power can have an adverse effect on returns to the shareholders and limit the breadth of skillsets found in governance structures (Kholief, 2008; Shakir, 2009). Goyal and Park (2002) report that boards have a hard time terminating underperforming CEOs after duality has set in, simply due to the fact that the CEO-chairman is evaluating their own performance.

In contrast, scholars believe that combining the role of CEO with chairperson improves board independence and reputation. Lu et al. (2015) argue that firms that clearly separate leadership roles tend to be viewed more favorably by stakeholders and better adhere to corporate governance principles. A number of countries, including China, Australia, and Bangladesh, have formally separated the roles of CEO and chairperson to improve oversight (Huafang & Jianguo, 2007). In the United States, the proportion of S&P 500 companies that separated the titles of CEO and chairperson increased by 20% to 40% in response to regulators' expectations (Chen et al., 2008). In India, the SEBI created a rule about the independence of the chairperson that stated that for the top 500 listed companies, the chairperson would be an independent non-executive director and separate from having Managing Director under the Listing Obligations and Disclosure Requirements (SEBI, 2018). The implementation of the rule was announced to take effect in April 2020, but was delayed to April 2022 based on concerns expressed by the business community.

In this context, the study will add to the existing corporate governance literature by further investigating CEO duality and corporate sustainability reporting in India, context of the unique ownership and institutional environment. The literature shows that there have been a number of governance reforms to address corporate governance weaknesses, yet still limited findings on the impact of CEO duality on sustainability disclosure in emerging markets characterized by concentrated family ownership and agency conflict. Through this investigation, the study contributes to an understanding of whether or how leadership structure affects sustainability disclosure in a concentrated ownership and agency conflict context, based on the governance mechanisms that underpin transparency and accountability. Further to this, the study provides a framework for viewing the discussion around CEO duality in India and sustainability reporting, within the context of the increasing global challenges of sustainable development and the United Nations Sustainable Development Goals (SDGs). Given that businesses are grappling with their responsibilities for environmental and social issues, understanding the governance factors that promote or inhibit sustainability reporting will become increasingly important. Examining CEO duality in the Indian context may help to inform the design of governance processes that may impact ethical practices, social trust, and long-term value creation. Such insights can promote responsible business behaviours, enhanced institutional resilience, and a collaborative strategy to address pressing global challenges such as climate change, inequality, and sustainable resource management.

The remaining part of the paper is organized as follows. Section 2 deals with the theoretical perspective, followed by a literature review. Section 3 presents the research methodology. Section 4 provides the research results. Section 5 discusses the main findings. Section 6 concludes the paper.

2. THEORETICAL PERSPECTIVE AND LITERATURE REVIEW

2.1. Theoretical perspective

Agency theory suggests that the dual role of CEO and chair of the board creates problems for the governance of a corporation by reducing board independence and lessening the board's ability to monitor officer behavior. Board oversight and accountability become compromised when power is concentrated when the CEO serves as chair of the board. This undue power can impede a board's ability to provide an appropriate level of oversight to ensure that management is directing limited resources toward sustainability initiatives or goals. Sustainability projects or goals may encompass aspects of long-term planning, broad stakeholder engagement and transparency, and/or added costs, which may interfere with the goals of maximizing short-term financial considerations. Consequently, undue CEO power may serve to de-emphasize the sustainability report process and erode stakeholder trust surrounding this project, and diminish the firm's overall sustainability efficacy.

In addition to managerial entrenchment, CEO duality may weaken external pressure for improved governance around sustainability because one leader dominates the agenda, and there may be little incentive to adopt sustainable alternatives, which often require significant investment. Without external checks and balances, a board is far less likely to materially challenge whether managerial decisions are in short-term or long-term interest.

Symbolic management can be accompanied by symbolic reporting, in which disclosures are often a matter of meeting minimum statutory requirements rather than a reflection of a process oriented to management genuinely committed to sustainability, perhaps through sustainability political due diligence or sustainability diligence policies. Instead, boards that separate the roles of Chair and CEO are more likely to implement effective governance systems, allowing for greater transparency in disclosures and deepening sustainability efforts. CEO duality, as both a theory of agency perspective towards good governance, is generally not seen as good for the quality and quantity of sustainability reporting.

2.2. Literature review

Corporate governance mechanisms are widely acknowledged as key factors influencing sustainability reporting, and board structures and leadership configurations are significant to how disclosures function. Among these, CEO duality (where the roles of CEO and board chair are combined into one person) has attracted significant attention from scholars, given its effect on perceived independence, oversight, and accountability of the board. Agency theory provides a theoretical underpinning to these concerns, with suggestions that CEO duality centralizes decision-making power and limits the board's ability to monitor (Jensen, 1993). Empirical studies likewise provide evidence to support these concerns, with Dalton and Dalton (2005) showing that duality is associated with increased managerial opportunism, and Kholief (2008) and Shakir (2009) noticing how duality limits boardroom discussions and reduces the range of perspectives. Zhang (2012) stated that boards relating to underperforming CEOs struggled to discipline the chief executive when the same persons held the chair position, thus diluting the evaluation of impartiality. However, evidence related to CEO duality and sustainability is inconclusive. For example, Dixit et al. (2024) concluded that duality negatively affected sustainable innovation and firm performance, and layouts for authority could marginalize environmental and social initiatives.

Jamil et al. (2023) also note that the separation of leadership positions encourages sustainability reporting quality by eliminating information asymmetry and enhancing the accountability of the board. On the other hand, there are research findings that suggest that effective characteristics of a CEO (e.g., communicative vision, effective managerial ability, and trust) can counter the risks of duality and enhance sustainability results (Waldman et al., 2006; Ling et al., 2008), but the moderating roles of leadership structure have not received attention. In addition to leadership duality, board characteristics are an important determinant of sustainability disclosures. Board diversity contributes more to enhancing ESG reporting, according to Bhatia and Marwaha (2022), for Indian firms. Further, Kumari et al. (2022) suggested that companies in environmentally sensitive industries provide richer sustainability disclosures, highlighting the potential impact of boards on transparent disclosures. Overall, boards with diversity and certain expertise appear to enhance companies' sustainability commitment.

Effective governance is also influenced by the regulators and institutional context. In India, the BRSR institutional framework formalized rules surrounding sustainability reporting, while ownership concentration continues to heighten agency conflict (Claessens et al., 2000). In response to this issue, the SEBI (2018) required separating CEOs and chairs for listed companies, mirroring international best practices in places as diverse as China, Australia, Bangladesh, and the United States (Chen et al., 2008; Huafang & Jianguo, 2007; Lu et al., 2015). Other governance structures, such as incentive structures, also interact with leadership structures, shaping reporting practices. Shabbir et al. (2024) claimed executive pay related to sustainability performance may improve disclosure, but evidence suggests it may be contingent on board independence, leadership structure, including CEO duality, which may diminish environmental sustainability alignment. Moving beyond institutional board frameworks, the department of conversation around corporate social responsibility (CSR) and knowledge leadership also provides insights into the influence of leadership and culture. For example, Lakshman (2009) demonstrated how ITC Ltd. institutionalized sustainability with knowledge leadership under Y.C. Deveshwar, while Dzever and Gupta (2012) showed how CSR initiatives within India's outsourcing sector enhanced stakeholder trust and reputation. And, in the Asia context, Robins (2005) and Kim and Moon (2015) emphasized that cultures in Asia impact how CSR is communicated and accepted, suggesting that governance effectiveness can involve more than structural mechanisms. Taken together, the literature indicates that while CEO duality can adversely affect board independence and sustainability transparency, its impact is somewhat contingent on the attributes of the CEO, board make-up, and institutional contexts. Therefore, there seems to be room for research on how the interplay of governance mechanisms, leadership attributes, and incentive structures influences corporate sustainability reporting.

Although previous research has investigated CEO duality, corporate governance, and sustainability disclosures across a host of contexts and to differing extents, the results are scattered and inconclusive. While much of the research illustrates either the peril of concentrated leadership or the meritorious consequences of separation of roles, research examining how CEO duality frames the sustainability reporting in emerging markets, such as India, is scarce. In India, there is much responsibility placed on promoter-led governance, high ownership concentration, and regulatory frameworks that are in constant flux, such as the BRSR, which creates a distinctive institutional dynamic. This provides an opportunity for an empirical investigation considering whether CEO duality enhances or diminishes sustainability transparency. Based on the agency theory, the following hypothesis is formulated for empirical testing:

H1: CEO duality negatively influences the sustainability reporting in Indian firms.

3. RESEARCH METHODOLOGY

This study analyses the Bombay Stock Exchange (BSE) 200 index companies from 2018 to 2023 (over six years) across various sectors that reflect the broader Indian economy. These sectors typically include information technology, pharmaceuticals, energy, financial services, consumer goods, automotive, telecommunications, and more. Each of these sectors may have different levels of engagement with sustainability practices and corporate governance standards. For instance, information technology (IT) and pharmaceutical companies are likely to emphasize sustainability in areas such as environmental impact, employee welfare, and ethical business practices, whereas manufacturing and energy companies may focus more on carbon emissions and resource consumption. By analyzing a diverse range of industries, this study aims to capture the varying approaches to sustainability disclosure across the corporate landscape in India. This research utilizes secondary data obtained from the corporate governance report, sustainability report, and annual report available on the company's website. Corporate sustainability disclosure is the dependent variable of the present study. We have used the content analysis technique using the Global Reporting Initiatives (GRI), G4 reporting framework. There are altogether 84 items in the framework. We will check in each report for every year whether the sample companies have disclosed (by giving code as '1') or not disclosed (by giving code as '0'). Finally, we develop a disclosure index for each company for each year by using the following formula. Sustainability disclosure (SD) equals to total items disclosed divided by 84 multiplied by 100.

CEO duality (*CD*) is the independent variable of this study. It is calculated by using 0 and 1. If there is role duality in the sample company, then the code is 1; otherwise 0. The study also employs firm size (*FS*), leverage (*LV*), board size (*BS*), board independence (*BI*), and profitability (*ROA*) as control variables. The natural logarithm of total assets is used to measure firm size; the debt-equity ratio helps one to evaluate leverage. The overall number of directors determines board size; board independence is computed as the percentage ratio of independent directors to total board members. Profitability is evaluated by the ratio of net profit to total assets.

The general form of an ordinary least squares (OLS) regression model is:

$$Y_i = \beta_0 + \beta_1 X_{1i} + \beta_2 X_{2i} + \cdots + \beta_k X_{ki} + \varepsilon_i \tag{1}$$

where, Y_i is the dependent variable (outcome) for observation *i*; X_{1i}, X_{2i}, ..., X_{ki} are the independent variables (predictors) for observation *i*; β_0 is the Intercept term; β_1, β_2, ..., β_k are the coefficients of the independent variables; ε_i is error term for observation *i*, capturing the deviation of the observed value from the model-predicted value.

The general form of the random effect model is:

$$Y_{it} = \beta_0 + X'_{it}\beta_k + \omega_{it} \tag{2}$$

where, *X'* is the number of covariates and ω_{it} is the composite error term. In the random effect model, $\omega_{it} = \varepsilon_i + u_{it}$; ε_i is the cross-section or individual specific error component, and u_{it} is the combined time series and cross-section error component, where, $\varepsilon_i \sim N(0, \sigma^2\varepsilon)$ and $u_{it} \sim N(0, \sigma^2 u)$. The generalized least squares (GLS) method minimizes a weighted sum of residuals with $w_i = 1/\sigma^2$ acting as a weight.

On the other hand, the functional structure of the fixed effect regression model is:

$$Y_{it} = (\beta_0 + \alpha_i) + X'_{it}\beta + v_{it} \tag{3}$$

where, v_{it} is the error component and α_i is the heterogeneity effect. Here $v_{it} \sim N(0, \sigma^2 v)$.

The following regression model was used in the study to examine the influence of CEO duality on sustainability reporting/disclosure:

Model 1

$$SD_{it} = \beta_0 + \beta_1 CD_{it} + \beta_2 BS_{it} + \beta_3 BI_{it} + \beta_4 FS_{it} + \beta_5 LV_{it} + \beta_6 ROA_{it} + \varepsilon_{it} \tag{4}$$

4. EMPIRICAL RESULTS

4.1. Descriptive statistics

Table 1 shows the descriptive statistics for our variables. The key findings are that the average level of sustainability disclosure (*SD*) was 72%, which means that the average firm disclosed 72% of the items under the guidelines from GRI. The minimum and maximum found in the sample were 65% and 80%, respectively, indicating a fairly consistent level of sustainability disclosure across the 200 firms. Next, with respect to board characteristics, we find that the number of directors has a minimum of 8 and a maximum of 15 members, with an average of 12. As for CEO duality, it had a mean value of 0.75, which indicates that a fair number of the firms had the CEO also acting as the board chairperson. In the case of board independence (*BI*), the percentage of independent directors had a minimum of 6.086% and a maximum of 10.022% with an overall mean of 8.040%. This means that on average, independent directors represented approximately 8% of the developed boards of directors in the sample firms. In studying the firm-level variables, the sample has a mean firm size of 10.303, suggesting it is made up of predominantly large firms. The mean return on assets (*ROA*) is positive, supporting that firms are profitable on average. Finally, the mean value of leverage is 1.22, showing firms have a balanced capital structure with debt levels that are close to equity.

Table 1. Descriptive statistics

Variables	*Mean*	*Minimum*	*Maximum*	*Std. Dev.*
CD	0.7500	0.000	1.000	0.124
SD	72.000	65.00	80.000	1.294
BS	12.000	8.000	15.000	1.964
BI	8.040	6.086	10.022	0.102
FS	10.303	7.012	15.004	1.055
LV	1.223	0.303	3.024	1.302
ROA	0.613	0.0240	0.930	0.005

Source: Authors' computation.

4.2. Correlation matrix

The correlation matrix in Table 2 illustrates the correlations of the independent variables. All correlation coefficients are below a common threshold of 0.6. Thus, there is no indication of multicollinearity in the data. For example, the correlation coefficient for CEO duality (*CD*) and board size (*BS*) is 0.234, board independence (*BI*) is 0.342, firm size (*FS*) is 0.285, leverage (*LV*) is 0.403, and profitability (*ROA*) is 0.419, all reasonable and acceptable moderate values. The same can be said about SD and each of the other explanatory variables, none exceeding 0.5, and confirming a lack of severe multicollinearity concerns. Overall, the resulting correlations provide confidence that these variables can be credibly used in the regression analyses.

Table 2. Correlations matrix

Variables	*CD*	*SD*	*BS*	*BI*	*FS*	*LV*	*ROA*
CD	1						
SD	-0.413**	1					
BS	0.234	0.392**	1				
BI	0.342*	-0.395**	0.399**	1			
FS	0.285*	0.149	0.504**	0.439**	1		
LV	0.403**	-0.204	0.493**	0.394**	0.201	1	
ROA	0.419**	0.293**	0.291*	0.003	0.03	0.492**	1

*Note: ** and * correlation is significant at the 0.01 and 0.05 levels (2-tailed), respectively.*
Source: Authors' computation.

4.3. Regression results

The empirical results in Table 3 show that CEO duality (*CD*) is significantly and negatively related to corporate sustainability disclosure (SD). This provides support for our hypothesis (*H1*) that role duality inhibits the level and quality of sustainability disclosure. Our results corroborate the findings of Huafang and Jianguo (2007), Cerbioni and Parbonetti (2007), and Lu et al. (2015), where role duality represents a threat to governance structures, since decision authority and independence of the board are basically concentrated in the CEO, which increases the probability of a reduction in transparency/disclosure. In the context of business in India, where family-owned and family-dominated or promoter-driven businesses are common, the particular concern of CEO duality becomes particularly relevant. By concentrating authority, it becomes easy for management to be opportunistic, as indicated by Dalton and Dalton (2005). Jensen (1993) also alludes to the concern with duality, where the dual CEO affords the CEO disproportionate influence over agenda-setting, information flows, and board composition, ultimately placing the board in a difficult position to act as an effective monitor for shareholders.

The implications of this centralization of power have effects that transcend culture and structure. Kholief (2008) observed that firms with a strong single leader and concentrated authority often puts themselves in danger, as this concentration of authority reduces checks and balances regarding shareholders' interest, and "further the opportunity for 'contradictory' discussions" and diversity in the board of directors' knowledge, skill set, and experience, resulting in diminished quality in decision-making (Shakir, 2009). Finkelstein and D'Aveni (1994) recognized the tensions associated with CEO duality as providing organizations with a source of singularity, a source of weakness in governance, and referred to it as a "two-edged sword". Having a central commanding leader can provide organizations with strong, speedy decision-making; however, it diminishes board oversight and the ability of the board to serve organizational interests, and it increases the risk of conflicts of interest through centralizing decision-making, which ultimately undermines shareholder trust.

With respect to the control variables, board independence (*BI*) appears to have a negative, but statistically insignificant effect on sustainability reporting in the OLS model. This may suggest that if independent directors are simply present, it does not reflect in the companies' disclosure practices. This is consistent with previous literature that has reported mixed findings. In contrast, board size (*BS*), firm size (*FS*), and profitability (*ROA*) all had positive, significant relationships with sustainability reporting, suggesting that greater size, resourcefulness, and governance capacity were enabling firms to engage in sustainability practices and improve their disclosure practices. This supports previous works by Akhtaruddin et al. (2009), Esa and Mohd Ghazali (2012), and Ntim and Soobaroyen (2013), which suggest that firm resources and board structure play a positive role in disclosure outcomes. Leverage (*LV*) presents a significant, negative relationship, which suggests that higher debt may diminish sustainability investments/disclosures.

Again, the adjusted R^2 value of 0.569 in the model shows that the independent variables explain nearly 57% of the important variation in corporate sustainability reporting, which is significant in regard to governance-related research. The model is also consistent with an overall significant model supported by an F-statistic of 101.45 ($p < 0.01$). The results indicate that CEO duality is a governance failure that negatively influences sustainability disclosure in the Indian corporate sector, although firm-level characteristics such as board size, firm size, leverage, and profitability significantly enhance sustainability reporting.

Table 3. Ordinary least squares model

Variables	*Coef.*	*Std. Error*	*z-Stats*	*p-value*
Const.	5.812	1.365	4.258	0.000***
CD	-0.842	0.398	-2.116	0.0344**
BS	2.764	0.972	2.844	0.0045***
BI	-1.504	0.964	-1.56	0.1187
FS	4.115	0.927	4.439	0.000***
LV	-0.231	0.111	-2.081	0.0374**
ROA	1.415	0.485	2.918	0.0035***

*Note: Dependent variable: SD; F-stats = 101.45*** and adjusted R^2 = 0.569. ***, **, * denote significance at 1%, 5%, and 10% levels significance, respectively.*
Source: Authors' computation.

4.4. Robustness check

The fixed effects model, as shown in Table 4, demonstrates that CEO duality has a negative and statistically significant effect on sustainability disclosure, supporting the notion that by combining the CEO and chair roles, board oversight and transparency are impaired (Jensen, 1993; Dalton & Dalton, 2005). Board size (*BS*) has a positive and significant effect, which suggests that larger boards bring more experience and better monitoring practices and therefore better disclosure (Akhtaruddin et al., 2009; Esa & Mohd Ghazali, 2012). Board independence (*BI*) has a negative and statistically significant effect and therefore suggests that independent directors may not contribute as effectively to sustainability disclosures because they do not engage with the organization sufficiently, or due to structure (Shakir, 2009).

For the control variables, firm size (*FS*) has a substantial positive effect, which once again indicates that larger firms are more inclined towards full disclosure, given that they are more visible to the public and more likely to be subject to stakeholder expectations (Ntim & Soobaroyen, 2013). Leverage (*LV*) has a small but significant negative effect, which suggests that the more debt a firm has, the less it discloses so as to limit creditor scrutiny. Profitability (*ROA*) increases sustainability disclosure, which suggests more profitable firms are both able and willing to disclose on sustainability performance as a means of legitimizing their operations (Cerbioni & Parbonetti, 2007). Finally, the fixed effects model explains 59% of the variation in corporate sustainability disclosure with an adjusted R^2 of 0.5900. The F-statistic is 95.420 and significant at the 1% level, indicating that the model is robust.

Table 4. The fixed effect model

Variables	*Coef.*	*Std. Error*	*z-Stats*	*p-value*
Const.	5.75	1.25	4.6	0.000***
CD	-0.85	0.39	-2.18	0.029**
BS	3.15	0.90	3.5	0.000***
BI	-1.60	0.67	-2.4	0.016**
FS	3.98	0.87	4.575	0.000***
LV	-0.19	0.09	-2.00	0.045*
ROA	1.25	0.405	3.087	0.002***

*Note: Dependent variable: SD; F-stats = 95.420*** and adjusted R^2 = 0.5900. *, **, and *** indicate 10%, 5%, and 1% levels of significance, respectively.*
Source: Author's computation.

Similarly, the random effects model supports these results, as CEO duality continues to show a negative and statistically significant relationship with sustainability disclosure, as it poses the risks associated with concentrated leadership roles that reduce accountability (Huafang & Jianguo, 2007; Lu et al., 2015). The variable for board size shows a positive association and is highly statistically significant in this model, which helps highlight the importance of such larger boards in providing transparency and quality of governance. Board independence continues to have a negative association and statistical significance, in line with the fixed effects model findings, as it also reflects the difficulties independent directors face in meaningfully impacting Indian firms, due to the limits imposed by the institutional context.

Across, the control variables highlight that the size of the organization remains a strong positive factor, suggesting that larger firms continue to engage in sustainability initiatives to a greater degree. Leverage was negatively related to disclosure, which shows that firms with debt approached voluntary disclosure cautiously. Profitability was positively and statistically significant, consistent with earlier literature that found financially healthy firms were more willing to commit resources to engage in sustainability reporting and to improve their legitimacy. Overall, the random effects model explained 56.5% of the variability in disclosure than accounted for which is confirmed by the adjusted R^2 of 0.5650. The Wald Chi^2 test statistic of 110.500 was determined to be statistically significant at the 1% level. The Wald test confirms the model's overall strong explanatory power.

Table 5. The random effects model

Variables	*Coef.*	*Std. Error*	*z-Stats*	*p-value*
Const.	6.1	1.3	4.692	0.0001***
CD	-0.92	0.41	-2.244	0.025**
BS	3.00	0.80	3.75	0.0002***
BI	-1.71	0.78	-2.19	0.028**
FS	4.15	0.90	4.611	0.000***
LV	-0.20	0.10	-2.00	0.045**
ROA	1.32	0.43	3.1	0.001***

*Note: Dependent variable: SD; Wald Chi^2 = 110.500*** and adjusted R^2 = 0.5650. *, **, and *** indicate 10%, 5%, and 1% levels of significance, respectively.*
Source: Author's computation.

5. DISCUSSION

The results for all three models (OLS, fixed effects, and random effects) show strong evidence that CEO duality is negatively correlated with corporate sustainability disclosure in Indian companies. These findings match previous research (Huafang & Jianguo, 2007; Cerbioni & Parbonetti, 2007; Lu et al., 2015) on how combining the roles of CEO and chairperson can undermine the independence of the board and reduce transparency. Viewing the results through an agency theory lens, the concentration of power in one person has been found to weaken the board's ability to monitor performance and create managerial opportunism (Dalton & Dalton, 2005; Jensen, 1993). Further, the results presented here agree with Kholief (2008) and Shakir (2009) that CEO duality can block discussions and limit the diversity of expertise in discussions occurring at the board level, which can directly affect the quality of sustainability reporting. Such negative consequences are consistent with Finkelstein and D'Aveni's (1994) description of CEO duality as a "double-edged sword" that can weaken governance and stakeholder accountability by concentrating authority in one person.

Moreover, the analysis demonstrates that board size, firm size, and profitability are important positive determinants of sustainability disclosure, consistent with findings by Akhtaruddin et al. (2009), Esa and Mohd Ghazali (2012), and Ntim and Soobaroyen (2013). Larger boards appear inherently better at supplying more expertise and reducing agency problems; furthermore, larger and more profitable firms appear to be under the pressure of stakeholder governance, and they have more resources to undertake sustainability action. Also, it is important to note that board independence has a statistically significant negative impact on disclosure from the fixed and random effects models. Independence can be seen as generally increasing accountability; however, this may be due to the limited or purely symbolic role of independent directors in Indian boards, as structural independence is not the same as substantive independence (Cerbioni & Parbonetti, 2007).

Finally, leverage consistently appears as a negative factor of sustainability reporting, indicating firms with high levels of debt are less likely to engage in comprehensive voluntary disclosure. This supports Jensen's (1993) argument that agents in highly leveraged firms face greater agency conflicts between debt-holders and shareholders, with debt-holders resulting in less openness. Overall, the findings illustrate the concurrent influence of governance and financial structure on disclosure intent in India. Larger boards and larger and profitable firms have positive contributions, while CEO duality entrenches leadership, and leverage brings constraints, preventing openness. These implications reinforce the need for other regulatory reform in India, such as SEBI's call for separating the roles of the CEO and chairperson to support better governance and sustainability reporting.

6. CONCLUSION

In this study, BSE 200 index companies were examined over the six years from 2018 to 2023, for the purpose of assessing the impact of CEO duality on corporate sustainability disclosure. The results supported the acceptance of the hypothesis (*H1*). CEO duality has a statistically significant negative influence on disclosure quality and extent. As CEO duality combines leadership, it reduces the independence of the board and monitoring capacity, which also ultimately reduces transparency in sustainability reporting. Overall, the results highlight the importance of having a separation of the roles of CEO and Chair in order to improve governance effectiveness in an Indian context and increase corporate accountability.

From a theoretical perspective, the outcomes reinforce agency theory because the power concentration and lack of accountability associated with CEO duality directly lead to decreased quality of sustainability disclosures. This represents evidence for the belief that the separation of leadership is a mechanism by which to create better governance outcomes. For corporate managers, the results are a reminder that they should pursue board structures that create more independent and accountable boards. Further, to increase levels of transparency in sustainability reporting, companies should refrain from having a combined CEO and Chair position to enhance stakeholder trust and legitimacy. For policymakers, the study accentuates the need for intervention via regulations, such as the SEBI direction, to separate roles to reduce the governance risks of CEO duality. Building on standards regarding improved disclosure and applying more regulation/policy expectations regarding board independence will increase the credibility of sustainability reporting and improve connections between Indian firms and global governance practices.

Although the findings of this study provide rich insights, our data analysis was limited to examining CEO duality with board independence as the main outcome of interest, without other governance mechanisms such as board diversity, ownership concentration, or CEO attributes, and how they may influence sustainability disclosures. Future studies should use moderating variables such as Board expertise or institutional ownership to examine how these variables interact with governance structures to shape sustainability practices. Also, in this study, we used OLS, fixed effects, and random effects models, but using more advanced econometric approaches like the system GMM (generalized method of moments) model could have made inferences more robust and controlled for endogeneity concerns. Extending the analysis to include cross-jurisdictional comparisons would have also contextualized the findings across different economies, regulations, and cultural contexts, helping to position the relationship between CEO duality and sustainability disclosures within global contexts.

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