Type Of Board And Sustainability Reporting

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ABSTRACT

The research examined the relationship between BODT (board of director type) and CSR (corporate sustainability reporting), annual report disclosure and performance by using a sampling of companies listed on the S&P 500 for 2015. The data came from annual reports filed with the U.S. Securities and Exchange Commission and the Global Reporting Initiative. The study considered the relationship between BODT with emphasis on CEO (Chief Executive officer)-only and non-CEO-only boards and corporate sustainability reporting. Past research has found the CEO-only board relates to lower corporate performance and has seen significant use since the advent of the Sarbanes-Oxley Law that required boards that are more independent. The CEO-only board is an elaboration of an independent board or directors, whose only management member of the board is the CEO. The study used CEO-duality, another powerful influencer of boards, as a theoretical proxy for the CEO-only board. Regulators and investors are demanding higher level CSR reporting and information; therefore, the findings are of interest to both companies considering board of director type and regulators and investors. The quantitative categorical research study found a significant relationship between CEO-only boards and higher levels of disclosure and reporting. No significant relationship between CEO-only board and greater ROA was found. A possible reason for the differences in outcomes between the past research regarding independent boards that did not consider the CEO-only member and CSR reporting and the research presented in this study was the role of the lead independent director as a member of the CEO-only board not considered in this study.

Keywords: CEO-Only Boards; CSR; Corporate Sustainability Reporting; Independent Boards

INTRODUCTION

The study considered the negative consequences of the CEO-only (Chief Executive Officer) board on CSR (Corporate Sustainability Reporting), financial statement disclosure and financial performance In the United States CSR is voluntary and used by stakeholders and researchers report that CSR is also of interest to the public at large (Hahn & Kuhnen, 2013; Burrell & Roberts, 2014). Shareholders want CSR information and potential investors use information offered by the DOW Jones for evaluating companies' CSR (James, 2015a; S&P Dow Jones, 2016). The SEC (Securities and Exchange Commission) is considering mandatory CSR and disclosure and companies not prepared for regulatory changes may suffer negative consequences (Schooley & English, 2015; U.S. Securities and Exchange Commission, 2016) Although research has considered CSR and independent boards, the Sarbanes-Oxley Law lead to corporate boards choosing the BODT (Board of Director Type) of CEO-only, a sub-type of independent BODT, the research does not include studies examining the relationship between CEO-only boards and CSR reporting (Herda, Taylor & Winterbotham, 2012; Joseph, Ocasio & McDonnell, 2014). The impacts of the Sarbanes-Oxley Law on the trend for the CEO-only type of board of directors may have impacts on the filing of CSR (Faleye, 2015). Herda et al. (2012) showed that board independence is positively associated with both the filing of sustainability reports and filing reports. Rodriguez-Fernandez (2015) showed that the companies that adopt policies that include elements of social responsibility are more profitable. Further, a study of by Bachoo, Tan and Wilson (2013), showed evidence linking the quality of sustainability reporting and the bettering of a company's market valuation.

THEORY AND RESEARCH

The literature review examines the theories used in sustainability research in general, the type of theoretical model used in the study, corporate governance and independent directors, the state of sustainability reporting, review of literature on BODT and CSR reporting, disclosure, and performance.

Agency Theory in Study

This study uses agency theory to explain the relationship between CSR and interference of the use of the CEO-only board, due to the passing of the Sarbanes-Oxley Law in the United States in the early 2000's, on shareholder protection provided by the use of agency theory (Joseph et al. 2014). Agency theory supports the idea that independent board members help monitor the relationship between shareholders and management by allowing independent directors, instead of internal management directors, a greater oversight roll (Faleye, 2015). The issue as determined by Joseph et al. (2014) is that instead of the fully independent BODT of CEO-only being a supporter of agency theory in fact the CEO-only board reduces the monitoring effects of agency theory because of structural elaboration theory and the change to a fully independent board of directors.

Structural Elaboration Theory in Study

Structural elaboration theory suggests organizations adopt new forms to deal with new parameters or laws (Joseph et al. 2014). The agency theory support of independent BODT intended by the Sarbanes-Oxley Law and the new adopted form of BODT of CEO-only as a fully independent board may serve powerful CEO's but not shareholders (Joseph et al. 2014). Edelman (1992) studied structural elaboration in a look at how organizations respond to laws as they adjust their organizations to the new requirements. The idea of elaboration theory coincides with the Sarbanes-Oxley Law and the CEO-only adaptation of the firm to meet requirements. Although the paper focuses on agency and resource-dependency theory relating to structural elaboration theory and the CEO-only board, other powerful influences elaborate the intended use of the independent board of directors such as powerful shareholders, other powerful CEO-types like dual CEO and powerful governmental influences (seen in the following review of the literature). No current literature exists on the CEO-only board and CSR and other powerful influences are viewed as proxies for the CEO-only board in the literature review.

State of Sustainability Reporting and Disclosure

Companies use a variety of methods to message sustainability measures (James, 2015b). CSR are relied on by investors to supply non-financial information in order to evaluate overall corporate performance. Companies in the United States voluntarily report CSR information and funds provide opportunities to invest in those companies that participate in CSR reporting (James, 2015b). Due to the voluntary nature of the reporting the BODT may have an impact on the reporting or disclosure; if the reporting were mandatory then an impact would not exist. The main types of CSR reference standards used are as follows: CDP (Carbon Disclosure Project), DJSI (Dow Jones Sustainability Index), GISR (Global Initiative for Sustainability Ratings), GRI (Global Reporting Initiative), IIRC (International Integrated Reporting Council) and SASB (Sustainability Accounting Standards Board) (Deloitte, 2016).

According to Deloitte (2016), the CDP, founded in 2000 provides a CDP questionnaire with information regarding climate change, water and carbon information generally used by investors and other interested parties. The DJSI was founded in 1999 and provides investors a questionnaire related report to evaluate sustainability measures. The GISR started in 2011 provides investors and other interested parties a ratings program. The GRI founded in 1997 uses a standards-based reporting framework to provide various stakeholders broad-based corporate sustainability information. The IIRC started in 2010 uses reporting based on integrated annual reports or a single report for financial capital interested parties using a business analysis-based approach. The SASB started in 2012 and provides reporting based on industry related measures for U.S. Investors. The GRI is the leader in the continued development of guidelines and a majority of S&P 500 companies issue sustainability reports with the GRI (D'Aquilla, 2018). The GRI established the first global standards for CSR reporting in 2016. The SASB has also developed a classification framework directed to investor interests as opposed to the GRI which is focused on broader use, not just investors (D'Aquilla, 2018).

A study, by James (2015b), found companies who used GRI standards provided more detailed reporting information than non-standard user companies did. KPMG is a leader in CSR analysis and publishes a review of CSR bi-annually (KPMG, 2015). The report explained that almost three-quarters of the world's largest companies use GRI for CSR and the Asia Pacific and Western Europe had shown a higher CSR reporting percentage than the Americas (KPMG, 2015). In an analysis of CSR Junior, Best and Cotter (2014) explained that organizations are using CSR reporting to show accountability for socially related business initiatives. Tinjala, Pantea and Buglea (2014) showed European companies with the highest quality GRI score increased 66 percent from 2010 to 2014. The American companies did not show a positive trend for quality in reporting in the study. Tinjala et al. (2015) commented research should address why the U.S. region might be different from Europe, which may suggest the CEO-only BODT may have an impact. Because of the long history of the GRI, use by many U.S. corporations, and the broad focus on CSR issues the one research question in this study used data from the GRI reports.

Disclosure in financial statements regarding sustainability information is not currently mandated in the United States unless it is a material issue to the financial statements. A petition has been sent to the SEC in order to require disclosure for environmental sustainability (Griffin, Biles & Highful, 2019). Almost 24 other countries now require such disclosures to investors and the petition is in reference to the SEC request for comment on these disclosures (Griffin et al. 2019). The petition explains that the lack of requirements for continuity in disclosure increases the difficulty in analyzing the disclosure information. The SEC has historically resisted such mandated disclosures unless impacting materiality. Even though the SEC may not require mandated disclosures yet, authors, Griffin et al. (2019) suggest companies evaluate sustainability disclosures and reporting. In January 2020, the SEC gave guidance on ESG (Environmental Social and Governance) disclosures requiring clear metrics and disclosures when such disclosures are made but still there is no mandatory requirement or format for reporting (Barnum et al. 2020). Legal issues are arising from issues surrounding sustainability type disclosures that were omitted or misrepresented in formal filings with the SEC indicating the need for companies to pay attention to these types of disclosures (Ajaz & Strauss, 2018). A study of CSR disclosure with analysis of disclosure in annual reports of U.S. banks from 2009-2011 discovered positive associations with board independence and mentioned the need for more research in the area (Jizi, Salama, Dixon & Stratling, 2014). In 2018, a study found that board independence leads to social type disclosures and increases the reliability of the disclosures themselves (Dah & Jizi, 2018). Another study found that board independence related to the amount of community type disclosure in financial reports (Yekini, Adelopo, Andrikopoulos & Yekini, 2015). So, the question of the impact of BODT on disclosure in annual reports is supported in this study.

Corporate Governance And BODT Mission And Powerful Forces

Agency theory encourages the use of independent directors to help check the activities of management and protect shareholder's interests and resource dependence theory supports independent directors as valuable resources (Chen, Hsu & Chang, 2005). Many countries require independent boards and in the United States, after the Sarbanes-Oxley Law in the early 2000's and the Dodd Frank Act, independent directors are to be at least 50% of board membership (Pande & Ansari, 2014). Challenges exist that impede the benefits of the independent directors according to Garcia-Ramos, Diaz-Diaz, and Garcia-Olalla (2017), who studied the impacts of independent directors in non-family business vs. family business. The authors noted that the study was in direct conflict to the belief that independent boards related to better performance (Garcia-Ramos et al. 2017). Another study looked at board independence and CSR reporting and found a positive significance, but did not control for family business orientation; so, it seems in certain circumstances board independence relates positively to CSR reporting (Garcia-Sanchez & Martinez-Ferrero, 2017). Gutierrez and Saez (2013), contended that independent directors were seen as a panacea for board structures but in fact, were not effective in the case of concentrated shareholder ownership.

Review of Literature on CEO-Only Board of Director Type

U.S. companies are using more independent boards; author Faleye (2015) explained that the S&P 500 companies' proportion of independent directors had gone from 79% to 84 % from 2002 to 2012. Faleye, Hoitash, and Hoitash (2011) found that use of an increasing number of independent directors lead to less time for strategy and more monitoring functions of the board and as result lead to lower firm performance. A more remarkable outcome has been the increase of the CEO-only board; the percentage of the CEO-only board went from 36% of the S&P 500 to 70% by 2011 (Faleye, 2015). Faleye (2015) with data from 1998-2011 determined that CEO-only BODT related to lower returns and valuations and a completely independent board lead by an insider CEO cannot replace other members of management on the board as explained by resource dependence theory (Faleye, 2015). When Bryant and Davis (2012) studied resource dependence theory, they found executive board members provided resources to the board along with independent board members. Therefore, the elimination of all executives but one, is a reduction in board resources. Faleye (2015)'s findings support the resource dependence theory used in this study because the other management board members excluded by the CEO-only board type are a lost resource to the board in the CEO-only BODT as it relates to CSR reporting.

The elaboration created by the Sarbanes-Oxley law resulted in giving a powerful CEO more power, creating a different type of independent board, than what was intended by the idea of the addition of independent directors to the board (Joseph et al. 2014). Brown (2015) suggested large public companies adopted the CEO-only format and board reformers suggested adding back other executives to the board so that the CEO-only executive would not be the only filter of information to the board, limiting board resources (Brown, 2015). Adams, Almeida, and Ferreira (2005), found that CEO-only BODT led to higher stock volatility than a board with a CEO and other insiders and suggested that the impact of a powerful CEO led to more CEO decision making and less diffused board decision making resulting in a higher chance of error and volatility in returns. Zorn, Martin and Combs (2012) presented the idea that CEO-only boards are in need of study regarding this type of board's effect on monitoring and governance of the normally independent board benefits.

Like the idea of the powerful CEO-only; the more commonly studied CEO-duality BODT negatively impacts performance. Duru, Iyengar and Zampelli (2016) found the board is moderated by the addition of independent directors as resources until the addition of independent directors to make a fully independent board had the opposite impact on resource theory by eliminating management resources and then produced similar performance results as found with CEO-duality. The study determined a negative outcome relating to CEO-duality and performance at a lower level of independent directors but turned positive with higher levels of independent directors (Duru et al. 2016). The studies of CEO-duality and CSR reporting or disclosure have been generally inconclusive taken as a whole as expressed by studies that found the relationship negative to CSR reporting, positive or positive but not insignificant (Fuente, Garcia-Sanchez, & Lozano, 2017; Galbreath (2016); Khan, Muttakin & Siddiqui, 2013; Liao, Luo & Tang, 2015; Michelon & Parbonetti, 2012).

Review of Literature on BODT and CSR Reporting, Disclosure, and CSR and Performance

Jain and Jamali (2016) studied the reasons for the differences between the expected governance benefits of independent directors by reviewing the CSR literature and independent directors regarding: family ownership, state owned companies, large shareholder owners, and CEO-duality (Jain & Jamali, 2016). In addition, a study examined family owned companies and found that there was a negative relationship between family ownership and CSR (Cabeza-Garcia, Sacristan-Navarro, & Gomez-Anson, 2017). Jain and Jamali (2016) explained that family ownership showed mixed results for the impact of family owners on CSR and results were not conclusive. Large shareholders blocks do not generally support CSR. State owners generally were in support of CSR. Research found that the independent directors' effect was generally positive with CSR; although there are mixed results suggesting other powerful forces including family ownership, large shareholder ownership, governmental ownership and powerful CEOs, may interfere with the normally positive results between CSR and independent boards (Jain & Jamali, 2016). The authors commented that new research should look at the powerful CEO structures, like CEO-only, and their impact directly on CSR reporting.

Performance

A recent study concluded CSR related to firm financial performance by measuring CSR information by strategy, human resource elements, governance elements and community elements as the independent variables and dependent variables of financial performance and found ROA (return on assets) and return on revenue to be positively significant for a sample of 300 Fortune 500 companies in 2005-2015 (Sledge, 2015). The author mentions that the use of CSR can be another tool that firms use to help improve financially related success and suggests further research in the area. Li, Li and Minor (2016) expressed that although CSR related measures and value have been examined in other studies, no study has examined CEO power and CSR measures and ultimately firm value. The study finds that powerful CEOs related negatively to CSR measures (Li et al. 2016). Rutledge, Karim and Lu (2016) examined the impacts of CEO-duality and board independence on company performance using ROA and observed that CEO-duality should not be used as a CEO structure in the NASDAQ-100 firms. The same may hold true for CEO-only boards, not included in the study, as they also related to poorer financial performance (Faleye, 2015; Rutledge et al. 2016).

PURPOSE OF STUDY

The purpose of the study was to examine the relationship between BODT and sustainability reporting and annual report disclosure and BODT and financial performance (computed from SEC annual reports) in order to understand the relationship between BODT and CSR and disclosure by using sample of companies from the 2015 S&P 500 and their 2015 GRI (Global Reporting Initiative) sustainability reports (S&P 500, 2017; GRI, 2017) and annual reports from the SEC (SEC, 2016). The GRI is the leading standards body for sustainability reporting. The research questions considered the types and disclosures in separate corporate annual reports. Listed below are the research questions:

RQ 1: Does type of board relate to sustainability disclosure in corporate annual report?

RQ 2: Does type of board relate to ROA computed from the annual report?

RQ 3: Does type of board relate to type of sustainability report?

RESEARCH METHODOLOGY AND DESIGN

The list of S&P 500 was purchased from Siblis Research (S&P Dow Jones Indices, 2017; Siblis, 2017). The annual 10-k report and proxy report for the sample companies was obtained from the SEC website to identify the BODT (the independent variable) and the annual report was used for content analysis for research question 1 and for the calculation of the ROA for research question 2. The GRI provided information about the filing of a CSR report, research question 3 (GRI, 2016). The GRI are the most used guidelines for sustainability reporting (Truant, Corazza, & Scagnelli, 2017). The study was a quantitative content analysis and used archival data. The CSR research area is moving toward the use of quantitative content analysis (Lock & Seele, 2015).

Population and Sample

The population contained the companies listed in the S&P 500 for the year ended 2015. The population was chosen because the S&P 500 holds publicly traded U.S. stocks that were covered by the Sarbanes-Oxley Act of 2002 and were likely to show use of the CEO-only boards that have elaborated from independent boards due to the Sarbanes requirements (S&P Dow Jones, 2017: Joseph et al. 2014). Initially, the sample, was randomly drawn from the companies in the 2015 listing of the S&P 500 using SPSS. The required sample calculated for the chi-square test for the research question 3 is 232, the largest of the three questions. Finally, after coding the CEO-only and non-CEO-only companies in the minimum 232 population the CEO-only accounted for 70 percent of the sample; therefore the determination was made to use a stratified sample in the study. Because the non-CEO-only sample portion was 125 the entire portion was used along with a stratified sample of the remaining CEO-only sample which made a final stratified sample of 250.

Measurement

According to, Sachdeva (2009), the external validity of the results is best when used by companies that are in the study population, the S&P 500, but the results can extend to companies with similar characteristics. The characteristics of the S&P 500 are asset size approximating 6.1 billion, actively traded common stock, and profitability in recent quarters, and selected from U.S. companies (S&P Dow Jones, 2017). The coding protocol developed after review of the data available at the SEC website for the 10-k annual report and DEF 14 annual proxy report. (SEC, 2016). For the GRI, the data was examined to develop the coding process.

Operational Definitions of Variables

How the study independent and dependent variables were measured is described below. Information is included for the independent variable and dependent variables 1, 2 and 3.

Independent Variable 1

The BODT was the independent variable with categories of CEO-only and non-CEO-only type of board. The variable information came from the data available from the SEC website about the board of directors using the 10-k annual reports of companies' and proxy report DEF 14 (U.S. Securities nd Exchange Commission, 2016). In the study regarding fully independent CEO-only boards, the authors delineated and observed the CEO-only firms by separating the firms that were CEO-only from those that were not (Faleye, 2015).

Dependent Variable 1

The dependent nominal categorical variable was the type of sustainability disclosure in the corporate annual report either high or low. Following the study of Jizi et al. (2014), there were four categories of disclosure classification in this study. The categories in Jizi et al. (2014) were community, environment, employees and customer. In a similar study the authors used categories similar to Jizi et al. (2014) including employees, ethics, community and environment (Garcia-Sanchez & Martinez-Ferrero, 2017). For the study here, the four categories were employee or human rights, environmental, community, and ethics. Finally, the total score was separated into high and low categories.

Dependent Variable 2

The dependent continuous variable was the ROA for each firm in the sample. The ROA was calculated by obtaining the income for the 2015 reporting year of each sample firm divided by the average total assets for year calculated by adding the beginning of the 2015 financial reporting year and the ending balance of the 2015 financial reporting year divided by two. Authors, Ameer and Othman (2012), calculated ROA in their study of financial performance as it relates to CSR.

Dependent Variable 3

The dependent variable three was a categorical nominal variable standing for the choice between the following report filings, non-filings, or limited filings with the GRI: G3, G3-1 and G4 types, filed with the GRI for the 2015 report year. So for the dependent variable here, the categories coded were labeled as no report, non-GRI type, cited GRI, referenced GRI, GRI report types of categories- G3, G3-1 and G4 types (GRI-d, 2017). Authors, Iyer and Lulseged, (2013), tested both if companies had filed sustainability reports and then further as in research question 3 using dependent variable 3-the levels of the reporting. The study used dependent variable three to identify type of report and if filed.

Study Procedures

The data collection procedure was completed in three phases. The first phase collected information about BODT. The second phase collected information from the GRI website. The third phase accessed the 10-k annual report of each sample company for the content analysis. When the annual report was accessed the data for ROA was obtained and was calculated for each company and entered into an Excel worksheet.

DATA COLLECTION AND ANALYSIS

Statistics

The study used the t test and chi-square for data analysis. For research questions 1 and 3 the chi-square was chosen along with descriptive statistics. The level of significance was .05. Using the Chi-squared test allowed the study to examine the association if any between the dependent and independent variables. The study used the t test and descriptive statistics for research question 2.

Intercoder-Reliability

The study used the simple agreement method for Intercoder-reliability and kappa with an acceptable agreement of 80 percent (Lacy, Watson, Riffe & Lovejoy, 2015). The second coder used a 10 percent random sample of the primary sample for their coding duties. If there was a discrepancy between coders the coders met to resolve the discrepancy, if the discrepancy could not be resolved (this did not occur) a notation would have been made on each of the coding sheets for each coder in the notes area.

Assumptions, Limitations and Delimitations-

The study assumed that GRI reporting was the best method to use for study data regarding sustainability and levels of reporting. The GRI guidelines are the leading guidelines for sustainability reporting (Michelon, Pilonato & Ricceri, 2015). The study also assumed a make-up of categories for content analysis of annual reports based on the work from authors Jizi et al. (2014) and Garcia-Sanchez and Martinez-Ferrero (2017); these categories are common in CSR reporting and generally follow the GRI guidelines. The limitations concerned the used of archival data prepared and compiled by others. Another limitation concerns the distribution of data in the sample and the impact of possible varied weighting of different business segments. The delimitations result from not considering different industry types within the sample and a one-year study time frame.

RESULTS

RQ 1: Does type of board relate to sustainability disclosure in corporate annual report?

$H1_0$: The BODT relates significantly to sustainability disclosure in the corporate annual 10-k report.

$H1_a$: The BODT does not relate significantly to sustainability disclosure in the corporate annual report 10-k report.

The data for research question one included 249 annual report words counts relating to sustainability (disclosure) from the related companies. Since there were several extreme outliers in the sample and a (*SD*=41.40) and (*R*=259) showing variability in the data, chi-square test was completed without the 5 most extreme outliers after totaling by company and separation into high and low category of disclosure. The chi-square table (Table 1) is below. The table shows the expected counts for high and low levels of reporting and the actual counts for each.

Table 1. Chi-Square Table Annual Report High or Low

Board Type		High	Low	Total
CEO-Only				
	Count	73.00	50.00	123.00
	Expected Count	61.50	61.50	123.00
	% Type of Board	59.30%	40.70%	100.00%
	% High or Low	59.80%	41.00%	50.40%
	% of Total	29.90%	20.50%	50.40%
Non Ceo-Only				
	Count	49.00	72.00	121.00
	Expected Count	60.50	60.50	121.00
	% Type of Board	40.50%	59.50%	100.00%
	% High or Low	40.20%	59.00%	49.60%
	% of Total	20.10%	29.50%	49.60%
All				
	Count	122.00	122.00	244.00
	Expected Count	122.00	122.00	244.00
	% Type of Board	50.00%	50.00%	50.00%
	% High or Low	100.00%	100.00%	100.00%
	% of Total	50.00%	50.00%	100.00%

The CEO-only count versus the expected count for word count disclosure in annual reports found the largest gap between expected count and actual between CEO-only and non-CEO-only boards to be for higher level reporting for CEO-only boards; however almost the same gap showed for lower level reporting for the non-CEO-only board. The results of the chi-square test showed a significant difference at an alpha of .05 between higher level and lower level reporting in the annual report for word count between CEO-only and non-CEO-only boards with the results as follows: X2 (1, N=244) =8.673, p=.003. The CEO-only board showed a preference to higher level of reporting for CSR in the 10-k annual report. The non-CEO-only board showed a preference for lower level reporting for CSR in the 10-k annual report.

RQ 2: Does type of board relate to ROA computed from the annual report?

$H2_a$: The BODT relates significantly to ROA computed from the annual report.

$H2_a$: The BODT does not relate significantly to ROA computed from the annual report.

The data for research question 2 comes from the computed ROA from the 10-k annual reports in the sample. The following table shows the descriptive statistics for the sample (*N*=249).

Table 2. Descriptive Statistics

Type	Value
Mean	86.99
Median	79.00
Mode	66.00
Standard Deviation	41.40
Range	259.00
Minimum	12.00
Maximum	271.00
Count	249.00

Since extreme outliers existed in the sample and a (*SD*=.10) and (*R*=.99) showed variability in the data, the t-test was completed by removing thirteen outliers from the 249 sample. With the outliers removed the two sample t-test assuming unequal variance was conducted to compare CEO-only ROA from the annual report to non-CEO-only ROA from the annual report and found no significant difference at an alpha level of .05 between CEO-only ROA from the annual report and non-CEO-only ROA from the annual report with a CEO-only (*M*=.06, *SD*=.06) and a non-CEO-only (*M*=.07, SD=.05); *t*(234)=-.9314, *p*=.353. The results are not significant at an alpha of .05.

RQ 3: Does type of board relate to type of sustainability report?

$H3_0$: The BODT relates significantly to the type of sustainability report.

$H3_a$: The BODT does not relate significantly to the type of sustainability report

The data for GRI reporting after removal of companies with no data as non-reporters, G3, and referenced GRI found 55 CEO-only companies with reporting data and 52 non-CEO-only companies with reporting data. The chart below describes the data (Table 3).

Table 3. Chi-Square Chart Report Type

Board Type		cited GRI	G3-1	G-4	non-GRI	Total
CEO-Only						
	Count	5.00	1.00	36.00	13.00	55.00
	Expected Count	5.70	2.10	29.30	18.00	55.00
	% within Type of Board	9.10%	1.80%	65.50%	23.60%	100.00%
	% within Type of Report	45.50%	25.00%	63.20%	37.10%	51.40%
	% of Total	4.70%	0.90%	33.60%	12.10%	51.40%
Non CEO-Only						
	Count	6.00	3.00	21.00	22.00	52.00
	Expected Count	5.30	1.90	27.70	17.00	52.00
	% within Type of Board	11.50%	5.80%	40.40%	42.30%	100.00%
	% within Type of Report	54.50%	75.00%	36.80%	62.90%	48.60%
	% of Total	5.60%	2.80%	19.60%	20.60%	48.60%
Total						
	Count	11.00	4.00	57.00	35.00	107.00
	Expected Count	11.00	4.00	57.00	35.00	107.00
	% within Type of Board	10.30%	3.70%	53.30%	32.70%	100.00%
	% within Type of Report	100.00%	100.00%	100.00%	100.00%	100.00%
	% of Total	10.30%	3.70%	53.30%	32.70%	100.00%

The CEO-only count versus the expected count in the chi-square analysis found that the reporting category with the largest difference between expected count and actual count for the G-4 type report with the CEO-only board showing a higher level of reporting than expected. The non-GRI type report for the CEO-only board showed a lower level count than expected for CEO-only boards. The results of the chi-square test showed no significant preference at an alpha of .05 between types of reporting for CEO-only and non-CEO-only boards with the results as follows: $X2$ (3, N = 107) =7.27, p=.064. Two cells had expected counts (G-3-1) less than 5 therefore G-3-1 was eliminated in order to calculate the chi-square test again and the analyzed results without the G3-1 category showed a significant preference at an alpha of .05 between types of reporting for CEO-only and non-CEO-only boards with the results as follows: $X2$ (2, N = 102) =6.65, p=.036.

FINDINGS AND CONCLUSIONS

The study found the following: research question 1 found a positive significant relationship between higher-level sustainability word count in 10-k annual report disclosure and CEO-only boards, research question 2 found no relationship between ROA and BODT, research question 3 found a positive significant relationship between CSR reporting and CEO-only boards. The limitations of the study included possible undetermined errors in archival data compiled by others Cheng and Phillips (2014) and possible delimitations of the unintended differences in weighting of business segments in BODT, which might have affected the results due to different segments need for varied disclosure or possible performance related issues.

Although the study did not find a negative outcome for CEO-only boards as to CSR reporting, the alternative finding is that non-CEO-only boards showed a negative significant difference in the study to CSR reporting. This finding should be significant to the non-CEO-only boards and investors given the intentions of the SEC for CSR reporting in the future. The findings were not similar to the general findings regarding the relationship of CEO-duality and CSR disclosure, because they showed a positive result for the CEO-only board. One possible explanation for the different findings could be the influence of the roles of the lead independent director on the CEO-only board not considered in the study. The role of the independent lead director according to Krause, Withers and Semadeni (2017) shows lack of findings in the area of the independent lead director and their role for boards, other than a possible solution to separate the roles of the dual CEO. The independent director role's purpose is to counterbalance the powerful CEO; like the CEO-only. The research found that BODT's with lead independent directors showed improved performance and the authors suggest that additional research is needed in other areas of the impact of the lead independent director such as the CEO-only board. Perhaps another reason for differences in the findings regarding the CEO-only boards and CEO-duality regarding CSR disclosure relates to differences in industry concentrations in the categories of CEO-only board and non-CEO-only board as related in the study by Lock and Seele (2013).

Research question 2 found no significant difference between CEO-only boards and non CEO-only boards and ROA computed from the annual 10-k reports. The finding was contradictory to the findings by Li et al. (2016) that found that CEO-duality, a proxy for the CEO-only board, related negatively to firm performance and value and a study by Faleye (2015) that showed CEO-only boards related to lower firm performance (ROA). The findings show importance to those using the CEO-only board type that may have previously believed these types of boards to have lower performance due to the unintended consequences of the Sarbanes-Oxley Law and the elaboration of board type to CEO-only in the United States; although the results may have been caused by issues not addressed in the research. One possibility for the difference between the findings in the study and previous findings regarding performance is the newly found impact of lead independent directors as a moderating effect on powerful CEO's, like the CEO-only board, and firm performance (Krause et al. 2017). Still another possibility for the performance difference was lower ROA for industry segments that showed lower performance in 2015 which include the oil, natural gas, and related industries (PricewaterhouseCoopers, 2017).

RECOMMENDATIONS FOR PRACTICE AND FUTURE RESEARCH

The findings in the study supported the idea that the CEO-only board lead to higher levels of CSR reporting since research questions 1 and 3 were significant positively to the relationship between CSR reporting and disclosure and CEO-only boards. However, those boards using the non-CEO-only structure showed lower levels of CSR reporting and disclosure and the finding may suggest that these boards should revisit their CSR reporting and disclosure strategies in order to keep up with the demands of reporting for regulators and investors. The SEC is considering changing the requirements to a mandated form, but for now they have updated guidance on disclosures requiring clear disclosures supported by disclosed measures due to the demands of investors for clearer information (Barnum et al. 2020). The SEC and investors may have interest in understanding how BODT may relate to disclosures and CSR reporting. In addition, the state of legal issues surrounding suits involving sustainability disclosures demands clear and thorough disclosures (Ajaz & Strauss, 2018). Due to the possible implications of the independent lead director on the findings for CEO-only boards and the recent research by Krause et al. (2017), future research is suggested studying the relationship between CEO-only BODT with and without an independent lead director using the same research questions in this study. In addition, future research should consider the possible implications of various industry segments on the results of the study, particularly since the 2015 year for the oil related industry as discussed by PricewaterhouseCoopers (2017) may have some impact and because different industries may disclose at different levels.

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