ABSTRACT

This study aims to examine the interconnection between sustainability and resilience with focus on governance, sustainability performance, and firm performance. Specifically, it explores the moderating role of resilience in the relationship between corporate governance (CG) and corporate sustainability performance (CSP), as well as the influence of CSP on firm performance (FP). The study ultimately examines the direct impact of CSP on resilience.

The analysis uses panel data from 53 listed firms across eight African countries that report under the Global Reporting Initiative (GRI) Standards for the period 2019–2020. Sustainability disclosure, governance, and performance were derived through systematic content analysis of annual and sustainability reports, while resilience was measured using stock price data from Africa Markets. The study employed fixed-effects estimation, system generalized method of moments (system GMM), and feasible generalized least squares (FGLS) techniques, with robustness checks conducted for each estimator to ensure the reliability of results.

The empirical results indicate that board size has a positive influence on both the disclosure and quality of sustainability reporting, whereas board independence has a negative effect. Further, when resilience is introduced as a moderator, board independence further reduces sustainability disclosure and quality. In terms of performance outcomes, sustainability disclosure has a negative impact on financial performance but a positive effect on non-financial performance, whereas report quality has a positive influence on financial performance but a negative impact on non-financial performance. Moderation analysis reveals that disclosure and quality do not significantly impact financial performance, but both have a positive influence on non-financial performance. In addition, disclosure reduces price volatility and improves recovery rates, while report quality increases both maximum drawdown and recovery rates. These results imply that governance structures in African firms play a role in shaping sustainability practices and outcomes. Firms must therefore weigh the trade-offs between financial and non-financial goals when designing sustainability strategies, and align board composition and reporting practices to strengthen resilience without compromising performance.

This study contributes to the literature by providing empirical evidence on how resilience enhances governance in promoting sustainability practices and how sustainability performance, in turn, impacts both financial and non-financial outcomes. It also demonstrates how sustainability can serve as a strategic tool to enhance organizational resilience (OR). The findings suggest that firms should build resilience into their governance systems to improve both financial and non-financial performance. Policymakers should also strengthen sustainability reporting by moving beyond voluntary disclosure and encouraging firms to produce high-quality reports. This can be done through clearer regulations, incentives, and support programs. In the African context, stronger policies are necessary to enhance board effectiveness and ensure that sustainability reporting becomes a practical tool for promoting resilience and long-term stability.