

Abstract

Purpose – The main purpose of this thesis is to evaluate the relationship between corporate governance attributes and the depth of corporate voluntary disclosure in annual reports of non-financial listed companies in Pakistan. In this study, the relationship between four Corporate Governance Attributes (proportion of non-executive directors on board, board size, existence of audit committee, ownership structure) and voluntary disclosure is examined for the year 2015.

Design/Methodology – The t-test and Multiple Regression analysis are applied to examine the significance & dependency of the dependent variables. Annual reports for the year 2015 of a sample of 74 non-financial companies listed on Pakistan Stock Exchange were downloaded to measure the corporate governance attributes. A disclosure checklist consisting of 74 items was developed to assess the extent of voluntary disclosure. Voluntary disclosure score of each company was measured by using unweighted index approach. The association between corporate governance attributes and the level of voluntary disclosure and some firm characteristics was examined using multiple linear regression analysis.

Findings/Conclusion – The results show that the mean of disclosure index was much lower than the average. Also, board size and company size are significantly positively related to the level of voluntary disclosures. The remaining variables were either found to be insignificant or no association has been identified with the extent of voluntary disclosure.

Practical implication – The implication of this study is that the law-makers should consider increasing the board size of the Pakistani corporations to harness the benefits of voluntary disclosure. The outcome of the study is useful for the regulators, policy makers and auditors to encourage compliance with the voluntary disclosure and further expand the arena of mandatory disclosures to win and harness investor's trust and confidence in capital market of Pakistan

Originality/Value – With reference to Pakistan, this is the first study linking governance attributes and corporate voluntary disclosure. The study attempts to fill the void in the realm of voluntary disclosures by corporations in Pakistan. This study