



SURE Research Publication Service

1) Reference of your publication:

Bae, S.M.; Masud, M.A.K.; Kim, J.D. A Cross-Country Investigation of Corporate Governance and Corporate Sustainability Disclosure: A Signaling Theory Perspective. *Sustainability* **2018**, *10*(8), 2611.

2) Hyperlink to the publication:

<http://www.mdpi.com/2071-1050/10/8/2611>

3) Abstract:

There is a dearth of research on corporate governance and total sustainability disclosure (economic, environmental, and social) in developing, particularly South Asian, countries. This is unique cross-country research on South Asian countries' corporate governance elements and total sustainability disclosure practices. The study considers a set of insightful theories, namely, the signaling and agency theories of understanding the motives and drivers of sustainability reporting. Based on data from the Global Reporting Initiative database, the study analyzes Bangladesh, India, and Pakistan. We have collected annual report and sustainability reports from the GRI database for the period between 2009 and 2016. Based on the signaling and agency theories, the study investigates how board and shareholding structures convey signals to the market and different stakeholders. Our empirical results find that total sustainability disclosure has a positive and significant relationship with foreign shareholding, institutional shareholding, board independence, and board size. On the other hand, we document that director shareholding is negatively but significantly associated with total sustainability disclosure. Therefore, we conclude that corporate



governance elements have very strong influential power to send positive signals to the market that lead to reduced information asymmetry and ensuring honest signals from different stakeholders.

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