Int. Journal of Economics and Management 8 (2): 269 - 293 (2014)

PERTANIKA JOURNALS

IJEM
International Journal of Economics and Management
Journal homepage: http://www.econ.upm.edu.my/ijem

Directors' Remuneration Disclosure and Firm Characteristics – Malaysian Evidence

MOHD YASSIR JAAFAR[a], ANUAR NAWAWI[a] AND AHMAD SAIFUL AZLIN PUTEH SALIN[b]*

[a]*Universiti Teknologi MARA Shah Alam, Selangor, Malaysia*
[b]*Universiti Teknologi MARA Perak, Malaysia*

ABSTRACT

This study is intended to gauge levels of directors' remuneration disclosure among public listed companies in Malaysia. It aims to examine the relationship between companies' specific characteristics (age, size, growth, return on equity (ROA), return on asset (ROA), liquidity, and leverage) and directors' remuneration disclosure based on three models constructed from Malaysian Code on Corporate Governance (Model 1), Global Practices (Model 2) and combination of both Malaysian Code on Corporate Governance and Global Practices (Model 3). Based on model 1, it has been found that only company's size has a significant negative relationship with the directors' remuneration disclosure, while based on model 2, only company's ROA is significant. Finally, based on model 3, the results reveal that company's size and company's ROA are significant to explain the variation changes on director's remuneration disclosure. This study contributes to policy-making and body of knowledge by highlighting the relationship between companies' specific characteristics and their directors' remuneration disclosure in the Malaysian context of Malaysia.

Keywords: Directors' remuneration, Disclosure, Corporate governance, Malaysian Code of Corporate Governance, Malaysian listed firms.

* Corresponding Author: E-mail: ahmad577@perak.uitm.edu.my/saifulazlin@yahoo.com
Any remaining errors or omissions rest solely with the author(s) of this paper.

INTRODUCTION

Directors' remuneration disclosure is a continuously debate issues in corporate governance. Excessive payment on executive and directors compensation has raised questions among minority shareholders, shareholder activists, regulators, and the public at large on the lack of transparency of information disclose on their remuneration policies (Core, Guay, and Larcker, 2003; Schiehll, 2005). Ezzine and Olivero (2013), for example, suggested that more information on remuneration policy may protect the right of minority shareholders. This becomes more important in financial crisis when the tendency of majority shareholders and company to expropriate the resources of minority shareholders via private benefit is high. In Thailand, Theeravanich (2013) found that information asymmetry between executives and outside investors may lead directors in family-based companies to extract higher compensation for themselves. Soltani and Maupetit (2013) even suggested that executive remuneration policy and its disclosure is one of the main issues of corporate failures internationally. This is supported by Hearn (2013) that find the countries in North Africa with better transparency in reporting information associated with political stability and accountability.

In Malaysia, companies are required to disclose information on director remuneration in their annual report per the Malaysian Code on Corporate Governance 2000. This code was revealed in March 2000 by the Finance Committee on Corporate Governance with the purpose to raise the corporate governance standard in Malaysia. Furthermore, this code demanded that companies provide a statement on the annual report specifying how the companies apply the principles of corporate governance, focusing on the policy at each level which makes up remuneration and also procedures for directors' remuneration. They are also required to separately disclose the sum amount of remuneration received by the independent and dependent directors. However, director remuneration disclosure in Malaysia is not mandatory.

Awareness of transparency and quality of directors' remuneration has become a priority initiative to transform the current practices on directors' compensation in most countries. For example, in Canada the Canadian Coalition for Good Governance (CCGG), the regulatory body which is responsible for transforming executive and directors' compensation practices, introduced a new set of best practices guidelines to promote and improve better quality of executive compensation and strengthen ties between executive pay and firm performance. Besides that, United State (US) Securities and Exchange Commission (SEC) in 2006 had also introduced the new rules and initiatives to encourage companies to disclose more comprehensive information on directors' remuneration disclosure. According to Clarkson *et al*. (2006), even though Australian authorities introduced the Company Review Act

1998 (CLRA98) with the intention of greater transparency for each director's remuneration, empirical result have revealed that the discretionary disclosure caused the low quality of disclosure and thus recommended to clarify the minimal disclosure to avoid any misinterpretation.

However, there have been limited studies conducted to ascertain the determinants of directors' remuneration disclosure in Malaysia. It is vital to address the issues of directors' compensation packages in Malaysia since greater transparency and accountability of information disclosed on their remuneration packages are demanded by minority shareholders, regulator, and other stakeholder. Arguably, the predictors of directors' remuneration disclosure can be used to explain the specific directors' behavior. In other words, this study aims to investigate the relationship between a firm's specific predictors or variables with the level of directors' remuneration disclosure.

The findings of this study are significant, as they will provide rich literature on determinants generally affecting directors' remuneration disclosure and in developing countries, and specifically in Malaysia. As a country still progressing to achieve its ambition to become a developed nation, it is critical to examine and understand the country's levels of integrity and transparency. Furthermore, prior research on corporate governance and directors' remuneration has concentrated more on developed areas such as the US and Europe.

This study examined the relationship between directors' remuneration disclosure with firm's specific characteristics, namely company's age, size, growth, return on assets (ROA), return on equity (ROE), liquidity and leverage. We discuss the theories used to explain this study followed with discussion on previous literature while presenting the hypotheses. Variables, samples and measurement are discussed in section 4. Then we present findings from the statistical analysis together with the discussion of the findings. The final section includes the conclusion.

THEORETICAL BACKGROUND

Directors' remuneration is one of the many types of information not mandated to be disclosed in an annual report. The Financial Accounting Standard Board (FASB) classifies six categories of voluntary disclosure – business data, management analysis, forward looking information, information about management and shareholders, background of the company, and intangible assets. Directors' remuneration disclosure fall under information about management (FASB 2001). However, voluntary disclosure is highly encouraged as it increases transparency of the company. Investors and shareholders can then make informed decisions, while for company it can lower the cost of managing a business.

The needs for the voluntary disclosure on directors' remuneration can be explained by using two prominent theories in corporate governance, namely agency theory and signaling theory. Agency theory posits that there is a problem in terms of the relationship between the owners of firm, the principals, their manager, and the agent (Jensen and Meckling 1976). A conflict of interest forms when both parties try to maximize their own interest at the expense of the others'. The owner aims for the firm to have the highest value possible while the manager is more concerned with luxury perks and remuneration. Therefore, the principal needs to protect their interest and investment by implementing appropriate actions to control agent behavior, incurring monitoring costs to limit inappropriate behavior of their agent. Requiring the manager to disclose their perks and remuneration is one action to ensure that the manager does not misappropriate the company's assets and expropriate shareholders' wealth via excessive compensation.

Signaling theory was posited by Spence (1973) to focus on the different behavior in the labor market, with the ultimate objective of examining communication between two different parties. It is based on the general assumption of information asymmetry in which managers tend to disclose more financial information to provide a signal to investors and market (Ross, 1977). This theory argued that information disclosed by the firms may reduce information asymmetry and is assumed as a good signal by market analyst. Therefore, signaling theory is an important mechanism to provide useful information, such as directors' remuneration to the shareholders on the future prospect of the firms.

LITERATURE REVIEW AND HYPHOTHESES DEVELOPMENT

Company Age

Many studies have found that older firms are motivated to disclose more information voluntarily than the newly established firms (Al-Shammari, 2007; Gandia, 2008). These firms will disclose more information through Internet financial reporting. Younger firms will be reluctant to disclose more information publicly, especially on their new product developments, research and development expenditures, and capital expenditure, to gain an edge over long-established competitors (Al-Shammari, 2007; Owusu-Ansah, 1998). Owusu-Ansah (1998) also found that younger companies tend not to disclose information due to cost constraint and difficulties in collecting and disseminating information. Furthermore, the author also suggested that newly-established firms lack experience and expertise on public disclosure, resulting in less disclosure.

In contrast, Haniffa and Cooke (2002) found that newly listed firms tend to disclose more information in order to enhance investors' confidence and mitigate investors' skepticism on the capabilities and performance of the newly listed firms. Ho and Wong (2001) found a negative association between the level of disclosure and age of the company. They concluded that younger firms tended to disclose more information than older firms, due to information asymmetry. This finding was consistent with Hughes (1986), who reported that the newly established firms tended to disclose more information, as predicted by the signaling theory, in order to differentiate themselves from other new firms. However, older firms tend to have gained expertise to develop and expand their business, and as such will be inclined to disclose more information on their strengths and achievements (Camfferman and Cooke, 2002).

According to Alsaeed (2006), more established companies are more likely to disclose voluntary information than the younger companies because the older firms used the disclosure practice as their strategy to portray their credibility, transparency and future forward-looking policies and business strategies as a mode of business expansion, such as to access to global markets and capital. Based on research conducted by Camfferman and Coke (2002), company age is positively affected by Internet disclosure as a result of the companies experience and competency in the market forces. They tend to update their annual information and add more information over time to ensure that relevant and reliable information is easily accessible.

In the context of Malaysia, it is not unequivocally possible to conclude that the longer established firms will necessarily to disclose more information than the newly established firm, including information on compensation of directors. This hypothesis explains how the effect of age of the firms from its inception may influence the level of directors' remuneration disclosure of the firms. All of these arguments lead to the following hypothesis:

H1 : There is a positive significant relationship between the company's age and level of voluntary disclosure of directors' remuneration.

Firm's Size

Based on past literature, many researchers have found that the firm size is the most consistent firm-specific characteristic to explain the level of voluntary disclosure, possibly due to their larger resources to commit more reporting. The empirical evidence of the study found significant and positive relation between the firm size and the level of voluntary disclosure, including corporate governance, social responsibility, environment, ethical issues, and intellectual capital (Adams, Hill and Roberts, 1998; Cormier and Gordon, 2001; Eng and Mak, 2003; Garcia-Meca, Parra, Larran, and Martinez, 2005; Haniffa and Cooke, 2005; Barako et.al., 2006; Huafang and Jianguo, 2007). This is related to the agency theory, as according to Chow and Wong-Boren (1987), firm size is positively related to agency cost. Therefore, large firms have more agency cost and thus disclose more voluntary information to alleviate cost.

Ben-Amar and Zeghal (2011) conducted a study on Canadian listed companies to examine the relationship between transparency level of directors' remuneration package disclosure and board of directors' independence of Toronto Stock Exchange (TSX) companies in 2006. They found a significant and positive relationship between a firm's size and its level of directors' remuneration disclosure. Empirical evidence shows that large firms with higher levels of growth opportunities are more transparent in disclosing more information on their directors' remuneration packages. In another study conducted on the Australian Stock Exchange (ASX), Coulton, James, and Taylor (2001) and Clarkson *et al*. (2006) found a positive relationship between director and CEO compensation disclosure and company size, respectively.

Large Malaysian publicly listed companies are expected to disclose more information on the mandated annual financial statement as compared the smaller size of company. Based on the assumption of an economy of scale, as well as empirical evidence, a larger company normally requires massive internal information system to support the company's operation and management effectively and efficiently. Since big companies have invested a substantial amount of investment on the advanced information system to provide the significant information to management and all stakeholders, the marginal cost to produce non-mandatory disclosure on the annual report is lower. They also have ability to provide higher-quality reporting (Al-Janadi, Rahman and Omar, 2013). This expectation is consistent with the previous literature (for example Chow and Wong-Boren, 1987; Lang and Lundholm, 1993; Wallace and Naser, 1995; Owusu-Ansah, 2005; Barros, Boubaker and Hamraouni, 2013) which found that the size of a company is positively related to levels of voluntary disclosure. Ho and Taylor (2013), Ghazali and Weetman (2006) and Muhammad and Sulong (2010) empirically demonstrated that in Malaysia, larger companies are more likely to disclose more information voluntarily than their counterparts, small companies. Subsequently, it is hypothesized that:

H2 : There is a positive significant relationship between the firm's size and the level of voluntary disclosure of directors' remuneration.

Firm's Growth

This study also interested in investigating if firm growth is a significant predictor to explain the variation changes on directors' remuneration disclosure. In previous literature, firm's growth has been extensively considered a significant factor influencing voluntarily disclosure (Lang and Lundholm, 1993; Core, 2001; Eng and Mak, 2003; Nagar, Nanda and Wysocki, 2003; Clarkson *et al*., 2006; Fontana and Macagnan, 2013).

Core (2001) for example found that firm with less growth opportunities tended to disclose less voluntarily disclosure due to less dependence on external source of financing and lower incentive to produce voluntarily disclosure since the mandated disclosure provide high quality information to reduce information asymmetry. Firms with high growth opportunity on the contrary tended to carry out more voluntary disclosure to reduce information asymmetry with outsiders and attract potential shareholders to give financial support to the firm (Gaver and Gaver, 1993; Core, 2001). Eng and Mak, (2003) also hypothesized a positive and significant relationship between company's growth and level of voluntary disclosure of Singaporean firms due to high information asymmetry and agency cost.

In the context of remuneration, Ryan and Wiggins (2004) found that equity-based compensation received by firms' directors showed a positive and significant association with book to market equity ratios (growth opportunities). Similarly, Gaver and Gaver (1993) found that director compensation and stock option plans are higher in growth companies than non-growth firms. They claimed that directors and managers in high-growth companies demanded high total compensation due to the higher risk such as loss reputation and tarnished professionalism if companies fail to manage the business effectively and face bankruptcy. Likewise, Ben-Amar and Zeghal (2011) empirically demonstrated that large firms in Canada with a high level of growth opportunity are more transparent in disclosing information on their directors' remuneration packages.

This evidence shows that company growth has good potential to influence directors' remuneration disclosure directly and lead to the following hypothesis:

H3 : There is a significant relationship between the firm's growth and the level of voluntary disclosure of directors' remuneration.

Firm's Profit

Profit also can be used as a predictor for voluntary disclosure by the company. Hossain and Hammami (2009) found that profitable firms listed at Doha Securities had positive relationship with corporate voluntary disclosure. They claimed that firms which reported higher profit and operated in a high-impact economy and exposed to high global standards and regulatory intervention were encouraged to disclose more information in their annual reports to clarify and justify the financial performance and position.

Naser (1998) found that companies which reported high earning had higher motivation to disclose more comprehensive information to portray their success to shareholders and enhance their management's professional credibility. Accordingly, Owusu-Ansah (1998) posited that profitability is a mechanism to evaluate the firm performance and management. Therefore, according to signaling theory, managers tend to disclose more information to signal to the stock market that their companies are performing well and to avoid any undervaluation of their company's shares.

Chau and Grey (2002), examining firms located in Singapore and Hong Kong, found a positive relationship between the firm's performance and corporate disclosure. Similar findings were also suggested by Barros, Boubaker and Hamraouni (2013) for listed companies in France and Ghazali and Weetman (2006) for Malaysian listed firms. Other researchers, such as Inchausti (1997), Karim (1996), Owusu-Ansah (1998), Wallace and Nasir (1995), Wallace *et al*. (1994), Apostolou and Nanopoulus (2009) and Agyei-Mensah (2012) also described similar scenarios.

Based on the above arguments, similar predictions are also hypothesized for the positive relationship between better performing firms with the level of directors' remuneration disclosure to exist. Normally, a company has high incentives and motivations to disclose more information in the annual report due to the high profit reported in the financial statement to communicate the good news to the shareholders (Adelopo, 2011). Again, signaling theory suggesting that a profitable company will disclose more information than a less profitable firm to signal to investors and shareholders about the stronger financial performance and position as compared to the competitors in the industry. Accounting information users such as shareholders, investors and other stakeholders might be interested to assess the firm performance through the information disclosed in the annual report (Wallace *et al*. 1994). In this paper, profitability is proxied by ROA and ROE. Therefore, it is hypothesized that:

H4a : There is a positive significant relationship between the ROA and the level of voluntary disclosure of directors' remuneration.

H4b : There is a positive significant relationship between the ROE and the level of voluntary disclosure of directors' remuneration.

Firm's Liquidity

Many researchers have studied the relationship between liquidity and disclosure. Owusu-Ansah (1998) found that the level of mandatory disclosure and reporting for companies in Zimbabwe was positively related to the level of company's liquidity. The finding suggests that firms are concerned with their going concern status because it signals investors, lenders, and regulatory bodies that the firms are able to meet their short term obligation without having to liquidate their resources. Similarly, Naser (1998) found that the level of comprehensiveness of disclosure for listed companies was positively related to high liquidity ratio. This is because firms with a high liquidity ratio tend to have strong financial position and are more likely to disclose more comprehensive information to both existing and potential investors.

In contrast, according to agency theory, the higher the proportion of debt in the capital structure, the higher the agency cost, leading to higher liquidity ratios. This encourages the firm to disclose less information. Therefore, the agency theory predicts an inverse relationship between disclosure and firm's liquidity. This contradicts the signaling theory, which predicts more disclosure (Watson *et al*., 2002).

Normally, the liquidity ratio is used to determine the ability level of the firms to meet short-term obligations without selling assets in place to pay their short term debts. Walace and Naser (1995) have argued that liquidity ratio is an important determinant for investors, lenders, stakeholders and even regulatory institutions because it is closely related to the going concern of the firms. If the firms fail to manage the liquidity ratio properly, the firms may face insolvency especially during the economic meltdown. Many researchers have conducted studies to examine the relationship between firm liquidity and the extent of different subject of disclosure. Wallace *et al*. (1994) found a negative relationship between the level of voluntary disclosure and liquidity. They argued that low-liquidity firms will enhance levels of disclosure in the annual report to portray strong performance and strategy to investors. Similar findings were exposed by Fontana and Macagnan (2013) and Agyei-Mensah (2012), while Watson *et al*. (2002) were unable to prove this relationship for UK companies. In contrast, Belkaoui and Kahl (1978) found a positive relationship between the liquidity and the level of disclosure, but the results were insignificant.

Based on the above findings, a similar outcome also anticipated for voluntary disclosure of directors' remuneration information. Thus, the hypothesis is as follows:

> *H5 : There is a negative significant relationship between the firm's liquidity and the level of voluntary disclosure of directors' remuneration.*

Firm's Leverage

Leverage is another indicator of good governance. Excessive levels of leverage may cause a company financial difficulties and lead to bankruptcy. Meek, Roberts, and Gray (1995) and Esa and Mohd Ghazali (2012) used leverage as a predictor for quality of corporate disclosure. Also, Lang and Lundholm (1993) performed a study on voluntary disclosure by the Financial Analysts' Federation and found that firm leverage was associated with the level of voluntary disclosure.

Eng and Mak (2003) examined the relationship between leverage and the extent of corporate disclosure. They found that firms will disclose less information when they have a higher level of leverage. This is because firms would want to solve their cash flow problem and control the agency cost of debt through the restriction imposed by debt covenants in debt agreements. Disclosure of such information may put the firms in a bad light. In addition, high leverage may act as a substitute for voluntary disclosure in governing the company and alleviate free cash flow problem.

Watson *et al*. (2002) performed a study in the United Kingdom (UK) and found that highly-leveraged firms would disclose more information in the annual reports as suggested by the agency theory to provide useful information for the shareholders. Hossain, Perera, and Rahman (1995) found that there is a significant relationship between highly leveraged firms and the level of voluntary disclosure in New Zealand's public listed companies. Similar findings also suggested by Xiao, Yang and Chow (2004), Li and Qi (2008) and Fontana and Macagnan (2013).

Previous studies found the positive and significant relationship between cost of capital and levels of disclosure (Leuz and Verrecchia, 2000; Karamanou and Vafeas, 2005). A highly-leveraged capital structure increased the probability of the firms to enter insolvency, especially during the financial crisis and economic distress. In order to curb the manager's behavior to take the high risk for high return, the creditors always impose restriction such as the debt covenants on the daily firm's operation. The creditors may control the flow of cash borrowed from to be transferred to the shareholders. Therefore, firms with high level of leverage are under the scrutiny of the creditors to avoid the firms from breaching the debt covenants. High inspection imposed by the creditors on debt covenants would encourage the firms to disclose more information especially related to debt (Jaggi and Low, 2000). Similarly, Barako *et al*., (2006) and Wallace and Naser (1995) found the positive relationship between the firms leverage and the level of disclosure derived on the study conducted. All of the above conclusions may lead to similar applications for directors' remuneration disclosure. Thus, it is hypothesized that:

H6 : There is a positive significant relationship between the firm's leverage and the level of voluntary disclosure of directors' remuneration

RESEARCH METHODOLOGY

Sample Selection

The focus of this study is on the companies listed at the Bursa Malaysia in 2006. Bursa Malaysia is the only integrated exchange that offer various exchange-related services in Malaysia, such as companies seeking public capital via listing on the stock exchange. This year was selected because the code of corporate governance was revised in 2007. It is expected that a company has matured in practicing corporate governance after the code was first revealed in 2000.

There were 649 companies listed on Main Board of Bursa Malaysia on December 31, 2006. However, companies such as banks and financial institutional were removed due to the differences in the laws and regulations that bind the operations and hence governance of the company. A similar approach was also adopted by Haniffa and Hudaib (2006). In addition, companies that were not listed for one full year such as delisted, newly-listed and in-transition companies due to mergers and acquisitions in 2006 were also eliminated. The final sample of the 494 largest listed companies by market capitalization were selected and ranked by market capitalization.

Disclosure Index

Disclosure index of directors' remuneration was developed based on three models - Malaysian Code on Corporate Governance (MCCG), Global Practices (GLOB), and total disclosure (D_SCORE), which is a combination of the MCCG and GLOB.

The first model, MCCG, is the disclosure required per MCCG 2000. One of the weaknesses of this guideline is the code perhaps too general and locally-based. Thus, this study extends disclosure examination by including the international requirements in the second model, Global Practices. Global Practices is the disclosure that required under the international best practices, such as the Institute

Corporate Governance Network, Organization for Economic Co-Operation and Development, Greenbury Report and others. In addition, it will provide a global perspective and signal to the worldwide business community the readiness level of Malaysian companies to adopt and practice global standards.

The first model is specific for local needs, while the second model is for international standards. This study combines both models to create a third model, D_SCORE, which should satisfy the needs of both local (MCCG) and international (GLOB) models and requirements to get a complete model that complements each section.

Under the first model, there are 16 statements that divided into four (4) sections – Policy and Level on Makeup of Remuneration, Procedures of Remuneration, Disclosure on Remuneration, and Remuneration Committee. In the second model, there are 16 statements divided into three sections – the Level and Make up of Remuneration, Procedures on Directors Remuneration, and Disclosure on Remuneration. The third model is the combination or total final score of the first and second model.

Multiple Regression and Measurement of Variables

For the purposes of this study, multiple regression analysis was conducted to test the hypotheses and investigate the relationship between the independent variables and directors' remuneration disclosure.

The regression equation for each model is as follows:

$$\text{SCORE } ijt = \frac{\sum_{i=1}^{mjt} dijt}{\sum_{i=1}^{njt} dijt}$$

where *dijt* is directors' remuneration disclosure value of voluntary information item *i* relevant to sample company *j* in the year *t*. It is one (1) if it is disclosed or zero (0) if it is not disclose; where year *t* is 2006. To avoid subjectivity and bias, this study adopted an unweighted approach in which all items are considered of equal importance (Barros, Boubaker and Hamraouni, 2013). *mjt* is the total number of disclosure index on directors' remuneration items relevant to company *j* actually disclosed in its annual report in year *i,* 2006, and *njt* is the score for full disclosure.

MODEL 1, MCCG = β0,t + β1,t CO_AGE j,t + β2,t CO_SIZE j,t + β8,t GROWTH j,t + β4, t ROE j,t + B5, t ROA j,t + β6, t LIQD j,t + β7, t LEV j,t + ε j,t

MODEL 2, GLOB = β0,t + β1,t CO_AGE j,t + β2,t CO_SIZE j,t + β8,t GROWTH j,t + β4, t ROE j,t + B5, t ROA j,t + β6, t LIQD j,t + β7, t LEV j,t + ε j,t

MODEL 3, D_SCORE = β0,t + β1,t CO_AGE j,t + β2,t CO_SIZE j,t + β8,t GROWTH j,t + β4, t ROE j,t + B5, t ROA j,t + β6, t LIQD j,t + β7, t LEV j,t + ε j,t

where MCCG is the actual score of directors' remuneration disclosure based on principle of corporate governance and best practices (Malaysian Code on Corporate Governance) measured by disclosure index, GLOB is the actual score of directors' remuneration disclosure based on Global Practices measured by disclosure index, D_SCORE is the actual score for director remuneration disclosure, based on the combination of model 1 and 2, measured by disclosure index, CO_AGE is the number of years since the firm was founded and incorporated, CO_SIZE is the log of total assets, GROWTH is the book value of equity to market value of equity, ROE is return on equity measured by net income divided by total equity, ROA is return on assets measured by net income divided by total assets, LIQD is liquidity, proxied by quick ratio and measured by cash and equivalents plus receivables and securities divided by current liabilities, and LEV is leverage, measured by market value of all debts to market value of equity.

FINDINGS

Table 1 reports the descriptive statistics for all independent variables in the equation model. Based on table 1, the independent variables of firm's specific characteristics including company age, size, growth, profitability, liquidity, and leverage. The mean value of company's age is 24.9. This implies that most of the companies in the sample were well-established firms since they were incorporated a long time ago. As for company size, total assets were used as proxy. In order to reduce broad variations, the total assets were converted to logarithm ten (score from 0 to 10). The minimum, maximum, and mean values of company's size were 4.62. 7.90 and 5.85, respectively. Meanwhile, the mean scores for the growth, profitability, liquidity and leverage were 1.18, 8.41, 2.36, and 22.26, respectively.

Table 1 Summary statistics of non-standardized independent variables

Independent Variables	Minimum	Maximum	Mean	Std. Deviation
CO_AGE	3.00	101.00	24.95	18.11
CO_SIZE	4.62	7.90	5.85	.59
GROWTH	-14.29	6.67	1.18	1.19
ROE	-238.51	353.78	8.41	28.28
ROA	-44.44	61.84	6.42	9.80
LIQD	.03	43.49	2.36	4.09
LEV	.00	411.41	22.26	32.34

Correlation Analysis of the Independent Variables

Table 2 presents the Pearson correlation matrix of unstandardized variables between the independent variables. Table 2 provides an indication that all correlation value is less than 0.8 in magnitude. Therefore, there is no problem with multicollinearity, as Gujarati (1995) suggests a harmful level of multicollinearity when the bivariate correlation magnitude reaches 0.8.

Table 2 Pearson Correlation Matrix of Standardized Variables

VARIABLES	CO_AGE	CO_SIZE	GROWTH	ROE	ROA	LIQD	LEV
CO_AGE	1						
CO_SIZE	.200**	1					
GROWTH	.030	.146**	1				
ROE	-.098*	-.087	-.163**	1			
ROA	-.152**	-.082	-.204**	.254**	1		
LIQD	.113*	-.220**	-.068	.032	.100	1	
LEV	.097	.053	-.013	.011	-.263**	-.185**	1

** Correlation is significant at the 0.01 level (2-tailed)
* Correlation is significant at the 0.05 level (2-tailed)

Results of Multiple Regression Analysis for Model 1 (MCCG*)*

In model 1, the dependent variable is all directors' remuneration disclosure as required by the Malaysian Code on Corporate Governance 2000.

Table 3 summarizes the multiple linear regression result by providing the coefficient of each independent variable, which represents its degree of contribution and its relationship with the dependent variables

Table 3 Relationship between independence variables and directors' remuneration disclosure (MCCG)

Model	Unstandardized Coefficient		Standardized	t	Sig.	Collinearity Statistics	
	Beta	Std. Error	Beta			Tolerance	VIF
(Constant)	1.107	.199		5.570	.000		
CO_AGE	4.671E-5	.001	.005	.059	.953	.809	1.236
CO_SIZE	-.084	.039	-.222	-2.151	.033	.500	2.000
GROWTH	.007	.017	.039	.422	.674	.624	1.602
ROE	2.006E-5	.001	.002	.017	.986	.405	2.472
ROA	-.003	.002	-.174	-1.942	.054	.663	1.509
LIQD	-.003	.003	-.080	-.994	.322	.826	1.211
LEV	.000	.001	-.070	-.863	.389	.797	1.255

a. Dependent Variable: MCCG

Based on model 1, as expected, it was found that only company's size (H2) has a significant relationship with the level of directors' remuneration disclosure ($\beta = -.084$, $p = .033$, $p < .05$). However, the results reject H2 due to an inverse relationship, whereas, the other variables were found to be insignificant. There was no supporting for the influence of company's age (H1) ($\beta = 4.671$, $p = .953$, $p > .05$), company's growth (H3) ($\beta = 0.007$, $p = .674$, $p > .05$), return on equity (H4a) ($\beta = 2.00$, $p = .986$, $p > .05$), return on asset (H4b) ($\beta = -.003$, $p = .054$, $p > .05$), company's liquidity (H5) ($\beta = -.003$, $p = .322$, $p > .05$) and company's leverage (H6) ($\beta = 0.001$, $p = .389$, $p > .05$).

Based on the assumption testing, multiple regression of model 1 is tested for the problems of multicollinearity. The result of variation inflation factor (VIF) values is below 4 and the tolerance statistics are above 0.2. Therefore, we conclude that the data did not violate the assumption of multicollinearity.

Final equation on model 1:

$$y1 = 1.107 - 0.084 \text{ CO\_SIZE} \qquad \text{where,}$$

y1 = Directors' remuneration disclosure based on MCCG
CO_SIZE = Company's size

Result of Multiple Regression Analysis for Model 2 (GLOB)

In model 2, the dependent variable is Global Practices on directors' remuneration disclosure.

Table 4 Relationship between independence variables and directors' remuneration disclosure (GLOB)

Model	Unstandardized Coefficient		Standardized	t	Sig.	Collinearity Statistics	
	Beta	Std. Error	Beta			Tolerance	VIF
(Constant)	.313	.148		2.111	.036		
CO_AGE	.000	.001	-.056	-.705	.482	.809	1.236
CO_SIZE	-.019	.029	-.066	-.654	.514	.500	2.000
GROWTH	-.004	.013	-.026	-.291	.771	.624	1.602
ROE	.000	.001	.043	.381	.704	.405	2.472
ROA	-.002	.001	-.172	-1.974	.050	.663	1.509
LIQD	-.003	.002	-.118	-1.510	.133	.826	1.211
LEV	.000	.000	-.028	-.358	.721	.797	1.255

a. Dependent Variable: GLOB

Table 4 provides the result of multiple regression analysis for model 2. The extent of directors' remuneration disclosure was found to be significantly related to company's profitability measured on return on asset (H4b) (β=-.002, p=.050, p<.05). However, once more the results reject H4b due to an inverse relationship.

Contrary to our hypothesis in respect to company's age (H1), there was insignificant relationship with the extent level of directors' remuneration disclosure (β=.000 p=.482, p>.05). In addition, the statistical results show that there was no supporting for the influence of company's size (H2) (β=-.019, p=.514, p>.05), company's growth (H3) (β=-.004, p=.771, p>.05), return on equity (H4a) (β=.001, p=.704, p>.05), company's liquidity (H5) (β=-.003, p=.133, p>.05) and company's leverage (H6) (β=0.001, p=.721, p>.05) on directors' remuneration disclosure from global practices.

Finally, there was no collinearity problem on the data of model 2. The resultant tolerance statistics are above 0.2 and VIF values are below 4, showing that the data did not violate the assumption of multicollinearity.

Final equation on model 2:

$$y2 = 0.313 - 0.002ROA \quad \text{where,}$$

y2 = Directors' remuneration disclosure based on other global practices
ROA = Return on Assets

Result of Multiple Regression Analysis for Model 3 (D_SCORE)

In model 3, the dependent variable is the combination of model 1 and model 2, i.e. all Malaysian Code on Corporate Governance and Global Practices requirements for directors' remuneration disclosure.

Table 5 Relationship between independence variables and directors' remuneration disclosure (D_SCORE)

Model	Unstandardized Coefficient		Standardized	t	Sig.	Collinearity Statistics	
	Beta	Std. Error	Beta			Tolerance	VIF
(Constant)	.734	.133		5.517	.000		
CO_AGE	.000	.001	-.022	-.286	.775	.809	1.236
CO_SIZE	-.053	.026	-.203	-2.040	.043	.500	2.000
GROWTH	.002	.012	.016	.177	.860	.624	1.602
ROE	.000	.001	.027	.240	.810	.405	2.472
ROA	-.003	.001	-.224	-2.592	.010	.663	1.509
LIQD	-.003	.002	-.121	-1.559	.121	.826	1.211
LEV	.000	.000	-.065	-.831	.407	.797	1.255

a. Dependent Variable: D_SCORE

Table 5 summarized the coefficient of each independent variable with their significance to the dependent variable for model 3. For this model, it has been found that two (2) predictors are significant to explain the variation changes in directors' remuneration disclosure from the MCCG and Global Practices indexes. The company's size (H2) is found to have a significant correlation with level of directors' remuneration disclosure ($\beta = -.053$, $p = .043$, $p < .05$). However, the result rejects H2 due to an inverse relationship. Furthermore, company's profitability measured on return on asset (H4b) also demonstrates a significant and negative relationship with the level of directors' remuneration disclosure ($\beta = -.003$, $p = .010$, $p < .05$). Similarly, the results reject H4b due to an inverse relationship.

There was no supporting for the influence of company's age (H1) (β=.001, p=.775, p>.05), growth (H3) (β=0.002, p=.860, p>.05), return on equity (H4a) (β=.001, p=.810, p>.05), liquidity (H5) (β=-.003, p=.121, p>.05) and leverage (H6) (β=0.001, p=.407, p>.05) on the total level of directors' remuneration disclosure from MCCG and Global practices.

The multiple regression of model 3 is also tested for the problems of multicollinearity. Table 5 also demonstrates the result of VIF values, which are below 4 and the tolerance statistics all well above 0.2. Thus the data presented in model 3 does not violate the assumption of the multicollinearity.

Final equation on model 3:

$$y3 = 0.734 - 0.053\ CO\_SIZE - 0.003ROA \qquad \text{where,}$$

y3	=	Directors' remuneration disclosure based on the combination of model 1 and model 2 (MCCG and other global practice)
CO_SIZE	=	Company's size
ROA	=	Return on Assets

DISCUSSION

Company's Size and Directors' Remuneration Disclosure

Based on model 1 and 3, it is found that company's size is the significant predictor to explain the variation in the directors' remuneration disclosure based on the Malaysian Code on Corporate Governance index. This predictor, however, was insignificant in model 2. As hypothesized, there is a positive and significant relationship between the company's size and the directors' remuneration disclosure. However, the statistical results reject H2 due to a negative relationship. Thus, this reveals that firm's specific characteristic such company's size can influence the management to disclose the directors' remuneration information. The empirical result reveals that small companies are more motivated to disclose more voluntary information on directors' remuneration as compared to their counterpart. This is consistent with the findings by Fontana and Macagnan (2013) which suggested a negative relationship between size and voluntary disclosure for companies listed in the Brazilian capital market.

A small firm tends to disclose more information on directors' remuneration, possibly to increase the investor's confidence and mitigates the investors' skepticism on their capabilities, professionalism, and integrity. These small companies are more transparent in providing information on the up level of directors' remuneration, have proper procedures on remuneration, and implementing the best practices of corporate governance as proposed in the Malaysian Code on Corporate Governance and other international practices. It shows paradigm changes of business mentality among the small and medium companies, as they voluntarily provide more information on directors' remuneration. This would signal investors to invest in these companies, as they provide transparent information in relation to the directors' remuneration disclosure.

Company's Profitability - ROA and Directors' Remuneration Disclosure

As hypothesized, company profitability has a significant relationship with the extended level of directors' remuneration disclosure. The proxy, ROA, is significant in model 2 and 3. However; the multiple regression result rejects the hypothesis, H4b due to negative relationship. Thus, this reveals that in Malaysia, company profitability may induce an extended level of directors' remuneration disclosure. The negative relationship between the company's ROA and the disclosure implies that in Malaysia, it appears that profitable companies are less likely to disclose voluntary information such as directors' remuneration, since the disclosure is not mandatory per the Malaysian Code on Corporate Governance. This finding is consistent with Fontana and Macagnan (2013) and Al-Janadi, Rahman and Omar (2012).

The empirical result in this study contradicted with the signaling theory explained by Owusu-Ansah (1998) claimed that the profitable companies are more likely to disclose more information voluntarily to signal the investors that the companies are performing well. Furthermore, Wang *et al*. (2008) also supported the positive and significant relationship between the profitability and disclosure. They argued that it was important to the company who reported on the financial performance to disclose more information on the annual report to differentiate themselves from "poor" companies. Adelopo (2011) argued that companies which reported high profits in their financial statement are more likely to disclose more information in the annual report to portray their strong achievements and performance in order to raise capital through the subscription of shares from both existing and potential investors.

The empirical result provided in this study give additional evidence that less profitable firms are also motivated to disclose more information on directors' remuneration to signal to existing and potential investors that they are transparent in terms of disclosing information on directors' remuneration, its procedures and the voluntarily disclosure of directors' remuneration. It is vital to address the issue of directors' remuneration disclosure in less profitable firms to provide a clear understanding and information to investors on how the directors are paid in relation to the firms' performance. If the relevant information on directors' remuneration was not disclosed in the annual report, the directors of the firms may utilize their own benefit by receiving unacceptable remuneration packages even though the company reported less profit, especially at the expense of the minority shareholders. This argument may provide justification for why less-profitable firms are more likely to provide voluntary disclosure on directors' remuneration.

CONCLUSION

This study focuses on some of the determinants affecting directors' remuneration disclosure in Malaysian public listed companies. The issue of directors' remuneration disclosure is part of the corporate governance element. The present study provides literature in Malaysia on how a firm's specific characteristics influences the extended level of directors' remuneration disclosure.

This study finds that only two predictors, size and profitability are significant in influencing the level of directors' remuneration disclosure. However the hypotheses was rejected, as the relationship is negative contradict with the early prediction of positive relationship. The other predictors – age, growth, liquidity and leverage of the company – were found to be insignificant across all models. This result provides an interesting avenue for researches and practitioners to debate and further explore, as the results contradicted previous studies.

For model 1 (MCCG), only small-size companies disclose more information. Possibly these companies are still in the process of increasing their size and therefore, take conservative measures by hitting and practicing local benchmarks so that their expansion becomes smooth and less risky. For model 2 (GLOB), only less profitable company more transparent. This shows that companies are under pressure to multiply their profit and thus, meeting the international guidelines and practices is the fastest way to achieve their target. They need to become international players and start to become less dependent on the local market.

As far as the policy is concerned, more encouragement and consultation should be considered by policymakers to encourage bigger and profitable companies to disclose more information on director's remuneration. These kinds of companies should increase their transparency to attract more investors and business partners in the international market and expand their business overseas. They must avoid complacency but continue to increase their size and profitability level by tapping large potential revenue outside Malaysia.

This results also suggest the importance of voluntary disclosure, especially for directors' remuneration. Irrespective of size and profitability, voluntary disclosure become more important and part of the good governance by many corporations in Malaysia. This indeed may due to level of literate, young intellectuals and awareness of citizens that has increased tremendously and might encourage them to protect their interest by getting publicly available information in the fastest ways. Therefore, companies must be very proactive to provide relevant and inclusive information on director remuneration to communicate with shareholders regarding their transparency and accountability on managing the companies. Hence, voluntary practices for directors' remuneration disclosure must be optimized by companies as a mechanism to provide useful information to all stakeholders and achieve competitive advantages.

The major limitation of the study was it only conducted in Malaysia in 2006 based on the Malaysian Code on Corporate Governance of 2000. However, the revised Malaysian Code on Corporate Governance in 2007 provides more comprehensive information.

For future research, it is recommended to examine director remuneration disclosure in other ASEAN countries such as Singapore, Thailand, Indonesia, and Brunei, in order to provide a comparative study on the level of transparency and good corporate governance practices among ASEAN countries. Instead of examining the internal determinants that may affect directors' remuneration disclosure, researchers should also find insights into the significance of external factors which influence directors' remuneration disclosure. The effects of external factors such as the corporate collapse, business scandals and the increasing level of shareholders awareness about director remuneration disclosure may influence the directors' behavior and levels of transparency. In order to examine the pattern of directors' remuneration disclosure and the level of their transparency, it is also recommended that a study to be carried out for a period of at least five years. This will provide a clear understanding on company trend sand directors' behavior on disclosing of information.

REFERENCES

Adams, C. A., Hill, W. and Roberts, C. B. (1998) Corporate Social Reporting Practices in Western Europe: Legitimating Corporate Behaviour? *The British Accounting Review,* **30**, 1-21.

Adelopo, I. (2011) Voluntary Disclosure Practices Amongst Listed Companies in Nigeria, *Advances in Accounting, incorporating Advances in International Accounting,* **27**, 338-345.

Agyei-Mensah, B. K. (2012) Association Between Firm-specific Characteristics and Levels of Disclosure of Financial Information of Rural Banks in the Ashanti Region of Ghana, *Journal of Applied Finance and Banking*, **2(1)**, 69-92.

Apostolou, A. K. and Nanopoulos, K. A. (2009) Voluntary Accounting Disclosure and Corporate Governance: Evidence from Greek Listed Firms, *International Journal of Accounting and Finance*, **1(4)**, 395-414.

Al-Janadi, Y., Rahman, R. A. and Omar, N. (2013) Corporate Governance Mechanisms and Voluntary Disclosure in Saudi Arabia, *Research Journal of Finance and Accounting*, **4(4)**, 25-35.

Al-Janadi, Y., Rahman, R. A. and Omar, N. (2012) The Level of Voluntary Disclosure Practices Among Public Listed ompanies in Saudi Arabia and the UAE: Using a Modified Voluntary Disclosure Index, *International Journal of Disclosure and Governance*, **9(2)**, 181-201.

Al-Shammari, B. (2007) Determinants of Internet Financial Reporting by Listed Companies on the Kuwait Stock Exchange, *Journal of International Business and Economics,* **7(1)**, 1-16.

Alsaeed, K. (2006) The Association Between Firm-specific Characteristics and Disclosure: the Case of Saudi Arabia, *Managerial Auditing Journal,* **21(5)**, 476-496.

Barako, D. G., Hancock, P. and Izan, H. Y. (2006) Factors Influencing Voluntary Corporate Disclosure by Kenyan Companies, *Corporate Governance: An International Review,* **14(2)**, 107-125.

Barros, C. P., Boubaker, S. and Hamrouni, A. (2013) Corporate Governance and Voluntary Disclosure in France, *Journal of Applied Business Research*, **29(2)**, 561-578.

Belkaoui, A. and Kahl, A. (1978) Corporate Financial Disclosure in Canada. *Canadian Certified General Accountants Association*.

Ben-Amar, W. and Zeghal, D. (2011) Board of Directors' Independence and Executive Compensation Disclosure Transparency: Canadian Evidence, *Journal of Applied Accounting Research,* **12(1)**, 43-60.

Camfferman, K. and Cooke, T. E. (2002) An Analysis of Disclosure in the Annual Reports of UK and Dutch Companies, *Journal of International Accounting Research,* **1**, 3-30.

Chau, G. K. and Gray, S. J. (2002) Ownership structure and corporate voluntary disclosure in Hong Kong and Singapore, *International Journal of Accounting,* **37(2)**, 247-265.

Chow, C. W. and Wong-Boren, A. (1987) Voluntary Financial Disclosure by Mexican Corporations, *The Accounting Review,* **62**, 533-541.

Clarkson, P., Bueren, A. L. V. and Walker, J. (2006) Chief Executive Officer Disclosure Quality: Corporate Responses to an Evolving Disclosure Environment, *Accounting and Finance,* **46**, 771-796.

Core, J., Guay, W. and Larcker, D. (2003) Executive Equity Compensation and Incentives: A Survey, *Federal Reserve Bank of New York Economic Policy Review*, 27-50.

Core, J. E. (2001) A Review of the Empirical Disclosure Literature: Discussion, *Journal of Accounting and Economics,* **31**, 441-456.

Cormier, D. and Gordon, I. M. (2001) An Examination of Social and Environmental Reporting Strategies, *Accounting, Auditing and Accountability Journal,* **14(5)**, 587-616.

Coulton, J., James, C. and Taylor, S. (2001) The Effect of Compensation Design and Corporate Governance on the Transparency of CEO Compensation Disclosures. Working paper, University of Technology, Sydney.

Eng, L. L. and Mak, Y. T. (2003) Corporate Governance and Voluntary Disclosure, *Journal of Accounting and Public Policy,* **22**, 325-345.

Esa, E. and Mohd Ghazali, N.A. (2012) Corporate Social Responsibility and Corporate Governance in Malaysian Government Linked Companies, *Journal of Corporate Governance,* **12(3)**, 292-305.

Ezzine, H. and Olivero, B. (2013) Evolution of Corporate Governance During the Recent Financial Crises, *The International Journal of Business and Finance Research*, **7(1)**, 85-100.

Fontana, F. B. and Macagnan, C. B. (2013) Factors Explaining the Level of Voluntary Human Capital Disclosure in the Brazilian Capital Market, *Intangible Capital*, **9(1)**, 305-321.

Gandia, J. L. (2008) Determinants of Internet-based Corporate Governance Disclosure by Spanish Listed Companies, *Online Information Review,* **32(6)**, 791-817.

García-Meca, E., Parra, I., Larrán, M., and Martínez, I. (2005) The Explanatory Factors of Intellectual Capital Disclosure to Financial Analysts, *European Accounting Review,* **14(1)**, 63-94.

Gaver, J. J. and Gaver, K. M. (1993) Additional Evidence on the Association Between the Investment Opportunity Set and Corporate Financing, Dividend, and Compensation Policies, *Journal of Accounting and Economics,* **16,** 125-160.

Ghazali, N. and Weetman, P. (2006) Perpetuating Traditional Influences: Voluntary Disclosure in Malaysia Following the Economic Crisis, *Journal of International Accounting, Auditing and Taxation*, **15(2)**, 226-248.

Gujarati, D. N. (1995) *Basic econometrics*. Mc Graw-Hills: New York.

Haniffa, R. M. and Cooke, T. E. (2002) Culture, Corporate Governance and Disclosure in Malaysian Corporations, *Abacus,* **38(3)**, 317-349.

Haniffa, R. M. and Cooke, T. E.(2005) The Impact of Culture and Governance on Corporate Social Reporting, *Journal of Accounting and Public Policy*, **24**, 391-430.

Hearn, B. (2013) Institutional Impact on the Expropriation of Private Benefits of Control in North Africa, *Research in International Business and Finance,* **30**,1-23.

Ho, P. L. and Taylor, G. (2013) Corporate Governance and Different Types of Voluntary Disclosure: Evidence from Malaysian Listed Firms, *Pacific Accounting Review*, **25(1)**, 4-29.

Ho, S. S. M. and Wong, K. S. (2001) A Study of Corporate Disclosure Practice and Effectiveness in Hong Kong, *Journal of International Financial Management and Accounting,* **12(1)**, 75-102.

Hossain, M. and Hammami, H. (2009) Voluntary Disclosure in the Annual Reports of an Emerging Country: The case of Qatar, *Advances in Accounting, incorporating Advances in International Accounting,* **25,** 255-256.

Hossain, M., Perera, M. H. B. and Rahman, A. R. (1995) Voluntary Disclosure in the Annual Reports of New Zealand Companies, *Journal of International Financial Management and Accounting,* **6(1)**, 69-87.

Hughes, P. J. (1986) Signalling by Direct Disclosure under Asymmetric Information, *Journal of Accounting and Economics,* ***8*(2)**, 119-142.

Inchausti, A. G. (1997) The Influence of Company Characteristics and Accounting Regulation on Information Disclosed by Spanish Firms, *European Accounting Review*, **6(1)**, 45-68.

Jaggi, B. and Low, P. Y. (2000) Impact of Culture, Market Forces and Legal System on Financial Disclosures, *The International Journal of Accounting* **34(4),** 495-519.

Jensen, M. C. and Meckling, M. H. (1976) Theory of the Firm: Managerial Behavior, Agency Costs and Ownership Structure, *Journal of Financial Economics,* **20**, 305-360.

Karamanou, I. and Vafeas, N. (2005) The Association Between Corporate Boards, Audit Committees, and Management Earnings Forecasts: An Empirical Analysis, *Journal of Accounting Research,* **43**, 453-486.

Karim, A. K. M. W. (1996) The Association Between Corporate Attributes and the Extent of Corporate Disclosure, *Journal of Business Studies,* **17(2)**, 89–124.

Lang, M. and Lundholm, R. (1993) Cross-sectional Determinants of Analyst Ratings of Corporate Disclosures, *Journal of Accounting Research,* **31(2)**, 246-271.

Leuz, C. and Verrecchia, R. (2000) The Economic Consequences of Increased Disclosure, *Journal of Accounting Research,* **38,** 91-124.

Li, H. and Qi, A. (2008) Impact of Corporate Govenance on Voluntary Disclsoure in Chinese Listed Companies, *Corporate Ownership and Control*, **5(2)**, 360-366.

Meek, G. K., Roberts, C. B. and Gray, S. (1995) Factors Influencing Voluntary Annual Report Disclosures by US, UK and Continental European Multinational Corporations, *Journal of International Business Studies,* **26(3)**, 555-572.

Mohamad, W. W. I. and Sulong, Z. (2010) Corporate Governance Mechanism and Extent of Disclosure: Evidence from Listed Companies in Malaysia, *International Business Research,* **3(4)**, 216-228.

Nagar, V., Nanda, D. and Wysocki, P. (2003) Discretionary Disclosure and Stock-based Incentives, *Journal of Accounting and Economics,* **34**, 283-309.

Naser, K. (1998) Comprehensiveness of Disclosure of Non-financial Companies Listed on the Amman Financial Market, *International Journal of Commerce and Management,* **8(1)**, 88-119.

Owusu-Ansah, S. (1998) The Impact of Corporate Attributes on the Extent of Mandatory Disclosure and Reporting by Listed Companies in Zimbabwe, *International Journal of Accounting Review,* **33(5)**, 605-631.

Ross, S. A. (1977) The Determination of Financial Structure: The Incentive- Signalling Approach, *Bell Journal of Economics,* **8(1)**, 23-40.

Ryan, H. E. and Wiggins, R. A. (2004) Who is in Whose Pocket? Director Compensation, Board Independence and Barriers to Effective Monitoring, *Journal of Financial Economics*, **73(3)**, 497-524.

Schiehll, E. (2005) Executive Compensation Disclosure: Are Canadian Companies Doing It Right? *CMA Management*.

Soltani, B. and Maupetit, C. (2013) Importance of Core Values of Ethics, Integrity and Accountability in the European Corporate Governance Codes, *Journal of Management and Governance*, 1-26.

Spence, M. (1973) Job Market Signalling, *The Quarterly Journal of Economics,* **87(3)**, 355-374.

Theeravanich, A. (2013) Director Compensation in Emerging Markets: A Case Study of Thailand, *Journal of Economics and Business, In Press.*

Wallace, R. S. O. and Naser, K. (1995) Firm-specific Determinants of the Comprehensiveness of Mandatory Disclosure in the Corporate Annual Reports of Firms Listed on the Stock Exchange of Hong Kong, *Journal of Accounting and Public Policy,* **14**, 311-368.

Wallace, R. S. O., Naser, K. and Mora, A. (1994) The Relation Between the Comprehensiveness of Corporate Annual Reports and Firm Characteristics in Spain, *Accounting and Business Research,* **97**, 41-53.

Wang, K., Sewon, O. and Claiborne, M. C. (2008) Determinants and Consequences of Voluntary Disclosure in an Emerging Market: Evidence from China, *Journal of International Accounting, Auditing and Taxation,* **17**, 14-30.

Watson, A., Shrives, P. and Marston, C. (2002) Voluntary Disclosure of Accounting Ratios in the UK, *British Accounting Review,* **34**, 289-313.

Xiao, H. and Yuan, J. (2007) Ownership Structure, Board Composition and Corporate Voluntary Disclosure: Evidence from Listed Companies in China, *Managerial Auditing Journal,* **22(6)**,604-619.

Xiao, J. Z., Yang, H., and Chow, C.W. (2004) The Determinants and Characteristics of Voluntary Internet-based Disclosures by Listed Chinese Companies, *Journal of Accounting and Public Policy,* **23,** 191-225.