The influence of ownership structure on the transparency of CSR reporting: Empirical evidence from Spain

La influencia de la estructura de propiedad en la transparencia de la información de RSC: Evidencia del caso español

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This paper analyses the influence of ownership structure on the transparency of corporate social responsibility (CSR) information for a sample of 128 Spanish listed companies between 2009 and 2011. We distinguish two types of significant shareholders, depending on whether or not they are members of the board of directors. The results of the OLS regression show a different relationship between each type of shareholder and the transparency of CSR information. Significant shareholders who are not directors have a positive effect on transparency. Conversely, firms with boards holding more than 25% of ownership are less transparent than firms with boards holding below that threshold. Our results contribute to the academic debate on the relationship between ownership and CSR disclosure. They indicate the existence of information asymmetries between these two types of shareholders. Additionally, we contribute to literature on board of directors. We found that the presence of women on boards improves transparency, while the independence of the board and CEO duality do not affect it.

Keywords: transparency, CSR reporting, sustainability report, ownership, Spain, board of directors

Este trabajo analiza la influencia de la estructura de propiedad en la transparencia de la información de responsabilidad social corporativa (RSC). Distinguimos dos tipos diferentes de accionistas, dependiendo en si son o no miembros del consejo de administración. Nuestros resultados muestran una relación diferente entre cada tipo de accionistas y la transparencia de la información de RSC. Los accionistas que no son consejeros influyen positivamente en la transparencia. Por el contrario, las empresas cuyos consejos poseen más del 25% de la propiedad son menos transparentes que aquellas con consejos que poseen un porcentaje menor. Nuestros resultados contribuyen al debate académico sobre la relación entra la propiedad y la publicación de información de RSC, indicando la existencia de asimetrías de información entre los dos tipos de accionistas. Además, también contribuimos a la literatura sobre los consejos de administración al haber

encontrado que la presencia de consejeras mejora la transparencia, mientras que la independencia del consejo y la dualidad del máximo directivo no influyen sobre esta característica de la información de RSC.

Palabras clave: transparencia, información de RSC, memoria de sostenibilidad, propiedad, España, consejo de administración

The influence of ownership structure on the transparency of CSR information: Empirical evidence from Spain

1. Introduction

This paper analyses the influence of ownership structure on the transparency of corporate social responsibility (TCSR) information disclosed by Spanish listed firms. We aim to further develop previous literature on this topic by considering two key features that can contribute to better understand the relationship between ownership structure and corporate social responsibility (CSR) reporting.

First, we focus on a specific characteristic of sustainability reports (SRs), its level of transparency; in contrast to previous studies that analysed CSR disclosure ratings (Reverte, 2009), CSR reporting practices (Prado-Lorenzo, Gallego-Alvarez and Garcia-Sanchez, 2009a), or the implementation of CSR activities (Godos Díez, Fernández Gago & Cabeza García, 2012; Godos-Díez, Fernández-Gago, Cabeza-García & Martínez-Campillo, 2014). An essential characteristic of SRs, the most common tool used by companies to communicate CSR issues (Dopazo, 2012), is the level of TCSR they provide (Kaptein & Van Tulder, 2003). The Global Reporting Initiative (GRI) defines transparency of SRs as "the complete disclosure of information on the topics and indicators required to reflect impacts and enable stakeholders to make decisions, and the processes, procedures, and assumptions used to prepare those disclosures" (GRI, 2011, p.6). Therefore, GRI considers TCSR as an underlying value that determines the other SR characteristics. In fact, they establish a set of principles that firms should follow to achieve transparency. The relevance of TCSR is growing due to the current economic and social situation. Recent corporate scandals, financial crisis and mismanagement have compelled society to require more transparent information

(Fernández Sánchez, Luna Sotorrío & Baraibar Díez, 2011; Kolk, 2008). Moreover, the *Report on Corporate Social Responsibility: Accountable, Transparent and Responsible Business Behaviour and Sustainable Growth* (European Parliament, 2013) highlights that the lack of transparency is one of the principle causes of the financial crisis. TCSR enhances allocative and dynamic efficiency, it helps to identify socially responsible firms, it gives consumers access to more information, it promotes honest attitudes within companies, and it develops responsible behaviour among consumers. (Dubbink, Graafland & Liedekerke, 2008). Thus, SRs with high transparency benefit both, society and firms.

Second, and in contrast to prior research, we assess ownership structure with a different approach. Instead of using ownership concentration, we distinguish two types of significant shareholders depending on whether or not they are members of the board of directors. According to Godos Díez et al. (2012) and Godos-Díez et al. (2014), significant shareholders of Spanish firms are in favour of promoting CSR activities. Consequently, it can be expected that they could be interested in knowing how their companies are addressing CSR. CSR reporting can work as a mechanism to monitor whether managers are contributing to satisfy shareholder interests in CSR (Carnevale & Mazzuca, 2014; Herda, Taylor & Winterbotham, 2014; Lu, Shailer & Yu, 2016). Significant shareholders who are members of the board have access to information in order to monitor management. By contrast, significant shareholders who are not directors cannot access the information in the same way. They might require firms to disclose information on CSR, which could lead to better and more transparent SRs. Therefore, we expect that the relationship between each type of shareholder and TCSR should be different. When using ownership concentration, significant shareholders are considered as an only group. Thus, the effect on CSR information requirements of

significant shareholders who are not directors could be strong enough to compensate an ambivalent (positive, null or negative) effect of significant shareholders that are board members. We expect that the significant shareholders on board may have a different effect on CSR reporting depending on the percentage of shares that they jointly hold. Following, Leung and Horwitz (2004), we argue that when board ownership is above 25%, firms disclose less transparent SRs than companies in which directors own below that threshold. Significant shareholders on board in the former companies can regard CSR reporting as a cost that adds no-value to their monitoring role. By contrast, significant shareholders on the board in the second group of firms may promote TCSR as a way of providing positive signals to the market. The different behaviour of significant shareholders depending on their belonging or not to the board and the percentage that the board jointly hold could be the underlying explanations of mixed results reported by previous literature. Some authors found a negative effect of ownership concentration on CSR reporting (Brammer & Pavelin, 2008, Gamerschlag, Möller & Verbeeten, 2010; Khan, Muttakin & Siddiqui, 2013), while others found a neutral (Eng & Mak, 2003; Haji et al., 2013) or even a positive relationship (Rao, Tilt & Lester, 2012). In the case of Spain, mixed results were also reported (Prado-Lorenzo et al., 2009a; Reverte, 2009).

Spain represents an interesting research setting for several reasons. This country is a leader in CSR reporting, as shown by the fact that Spanish companies publish more SRs following the GRI guidelines than firms from more industrialized countries (Fernandez-Feijoo, Romero & Ruiz, 2012), and they also provide higher levels of CSR disclosure (Cuadrado-Ballesteros, Rodríguez-Ariza & García-Sánchez, 2015). The ownership structure of Spanish companies also makes this country an interesting setting. Similarly to other civil law countries, the ownership is concentrated among few

significant shareholders (de Miguel, Pindado & de la Torre, 2004; Azofra Palenzuela, Saona Hoffmann, & Vallelado González, 2007). According to Kirchmaier and Grant (2005), the most common type of ownership in Spanish listed firms is legal control, namely, when a shareholder or a group of shareholders own over 50% of voting rights. Particularly, families, financial institutions and crossholdings are the most important shareholders (Cuadrado-Ballesteros et al., 2015; Ruiz-Mallorquí & Santana-Martín, 2009; Tribo, Berrone & Surroca, 2007). Furthermore, compared to Anglo-Saxon countries, the Spanish capital market is underdeveloped, has low liquidity (de Miguel et al., 2004; Tribo et al., 2007), as well as a low level of investor protection (La Porta, Lopez-de-Silanes, Shleifer & Vishny, 1997).

Using a sample of 128 Spanish listed firms throughout the period 2009-2011, we built a measure of TCSR for each company. In contrast to prior papers analysing the effect of ownership on the implementation of CSR practices (Godos Díez et al., 2012; Godos-Díez et al., 2014), we used quoted firms to check our expected hypotheses. The effects could be more relevant for these companies because the board of directors plays a more important role in these firms. Our results indicate that the influence of significant shareholders on TCSR is different, depending on whether or not they are directors. Significant shareholders who are not members of the board have a positive effect on TCSR. Conversely, the relationship between the significant shareholders who are directors and TCSR depends on the stake that directors jointly hold. Firms with boards that hold more than 25% of ownership provide lower levels of TCSR than firms in which directors own below that threshold.

This paper contributes to prior literature on the influence of ownership on CSR practices and reporting in Spain (Prado-Lorenzo et al., 2009a; Reverte, 2009; Godos Díez et al., 2012; Godos-Díez et al., 2014). This relationship has also been studied in

other countries (Brammer & Pavelin, 2008; Eng & Mak, 2003; Gamerschlag et al., 2010; Haji, 2013; Iyer & Lulseged, 2013; Khan et al., 2013; Rao et al., 2012; Zheng, Balsara & Huang, 2014). As the results of a Spanish sample can be extrapolated to countries with similar corporate governance characteristics (Ruiz-Mallorquí and Santana-Martín, 2009), this paper could add to research on the matter at an international level. Besides, the paper has implications for policy-makers. Guaranteeing that firms completely satisfy the information requirements of shareholders who are not directors, along with those of the rest of stakeholders, corporate governance codes should include additional recommendations promoting transparent CSR reporting as a means of reducing information asymmetries.

The remainder of the paper is structured as follows. Section 2 reviews previous literature on ownership and CSR to pose our hypotheses. Section 3 describes the methodology. Section 4 presents the results, which are discussed in section 5. Finally, section 6 sets out the conclusions, limitations and future research.

2. Literature review and hypotheses development

Since the seminal study of Berle and Means (1932), large firms have been characterized by a divergence between ownership and control. Agency theory postulates that this situation could lead to agency problems because managers may behave opportunistically at the expense of shareholder interests (Jensen & Meckling, 1976). The divergence between ownership and control also leads to a problem of asymmetric information. Shareholders do not directly have the information required to assess whether their interests are being fulfilled. To mitigate these problems, different corporate governance mechanisms have been established (Fernández & Gómez, 1999). Among them, the disclosure of financial statements is regarded as an effective

mechanism to control managers and reduce information asymmetries (Bushman & Smith, 2001).

Over the last decades, firms' responsibilities and accountability have grown resulting from the society's and investors' awareness on the social and environmental impacts of corporate activities (Gray, 2006; Herda et al. 2014). Ownership structure plays a relevant role in determining the level of corporate disclosure (Akhtaruddin & Haron, 2010). In this context, the interests of significant shareholders have also broadened beyond financial return. Papers analysing the relationship between ownership and CSR reporting focused mostly on the effect of ownership concentration. This approach is similar to the one used in financial reporting research (Sánchez Ballesta & García Meca, 2005). However, other characteristics of the firm's ownership structure could also influence CSR reporting.

Research on the relationship between the firm's ownership structure and CSR in Spain is scant (Godos Díez et al., 2012). Particularly, literature analysing the effect of ownership concentration on CSR reporting in this country is even scarcer. Reverte (2009) studied the influence of several industry and firm characteristics, among them ownership concentration, on the CSR disclosure ratings of the Spanish firms listed in the Ibex-35 for 2005 and 2006. He measured ownership concentration as a dichotomous variable indicating whether or not the company has a majority shareholder. When analysing ownership as an isolated variable, he found that firms with a majority shareholder are negatively related to CSR disclosure ratings. However, when he included all the explanatory variables in the regression, the effect of ownership is no longer significant. His results also show that CSR disclosure ratings are higher for larger and more highly exposed firms as well as those operating in environmentally sensitive industries. Based on these results, he concluded that legitimacy theory is the

most relevant framework to explain why Spanish listed companies are disclosing CSR information.

Similarly, Prado-Lorenzo et al. (2009a) analysed the relationship between ownership structure and the publication of SRs in a sample of 116 Spanish non-financial listed firms. They used three variables to assess ownership: a dichotomous variable indicating whether financial institutions are part of the ownership structure; a dichotomous variable indicating the existence of a physical dominant shareholder; and the percentage of independent directors as proxy for the power of minority shareholders. To assess SRs, they performed a principal component analysis of five variables related to CSR information which resulted in three components: 1) the publication of information on economic, environmental and social aspects; 2) the use of the GRI guidelines; and 3) the validation of the disclosure by certifying compliance with GRI and by assuring the information. They found that the existence of a dominant shareholder is the only variable related to ownership that has a significant effect on CSR reporting. Particularly, it has a positive effect on the adoption of the GRI guidelines. The authors attributed this result to the close relationship between the reputations of the firm and the significant shareholders, along with their interest in the long-term survival of the company.

Godos Díez et al. (2012) and Godos-Díez et al. (2014) found that significant shareholders of Spanish companies promote CSR practices for several reasons. Significant shareholders have a long-term interest in the firm and want to maintain their reputation, which is closely linked to that of their company (Anderson, Mansi & Reeb, 2003). CSR contributes to achieve these objectives. Additionally, CSR helps to reduce financial risks and the likelihood of future legal or commercial sanctions. Managers are ultimately responsible for implementing CSR practices. The authors also found that the

profile and the CSR perception of the CEO determine the establishment of CSR actions. So, according to them, CEO traits should be aligned with shareholder interests in promoting CSR.

Consequent to their interest in CSR and the separation of ownership and management, significant shareholders may be expected to require CSR information to assess whether their interests are fulfilled. Financial reasons could also explain their demand for CSR information. Shareholders are the main providers of financial capital. Despite the fact that firms incur in costs to implement CSR actions, investors and shareholders consider that CSR information is value relevant and allows them to evaluate the financial risks resulting from CSR issues (Al-Tuwaijiri, Christensen, & Hughes, 2004; Orlitzky, Schmidt & Rynes, 2003; Reverte, 2012). Hence, complementing financial reporting, SRs could be used as a monitoring mechanism to mitigate information asymmetries, particularly in countries with low investor protection (Carnevale & Mazzuca, 2014; Herda et al., 2014; Lu et al., 2016). This assumption does not exclude that firms may also disclose CSR information for other reasons (*e.g.* mandatory requirements, legitimating, green-washing). The view of CSR reporting as a monitoring mechanism falls in line with the broadening of the scope of corporate governance, which advocates the establishment of mechanisms to protect the interests of both shareholders and the rest of the firm's stakeholders (Letza, Sun & Kirkbride, 2004).

Significant shareholders can be categorized into two groups. While some shareholders are represented on the board of directors, others are not. This distinction defines two types of ownership: board ownership and non-board ownership. Each type of shareholder has different access to information about the firm, which could result in a different behaviour towards the information required, TCSR for instance. The board of

directors monitors management to avoid agency problems (Fernández & Gómez, 1999; Kroll, Walters & Bright, 2008) and agency theory assumes that directors have access to all the information that they require to control managers (Nowak & McCabe, 2003). Thus, significant shareholders that are members of the board may easily access to all firm's information. Conversely, outside shareholders do not have this source of information and depend on the managerial attitude towards the disclosure of that information (Akhtaruddin & Haron, 2010). Given that significant shareholders are interested in promoting CSR (Godos Díez et al., 2012; Godos-Díez et al., 2014); those shareholders who are not directors may demand firms to provide them with information on CSR issues. As a consequence of this request, firms may choose to disclose SRs with high TCSR, to satisfy the information interest of their shareholders.

Academic literature on the relationship between board ownership and financial information, as well as on the similarity between the evolutions of CSR reporting and financial reporting (Tschopp & Huefner, 2015; Tschopp & Nastanski, 2014) reinforces our argument. Using a sample of Spanish listed firms between 1999 and 2002, Sánchez Ballesta and García-Meca (2005) found that firms with directors from the owning family report less transparent financial information. Akhtaruddin and Haron (2010) studied a Malaysian sample of listed companies and reported that board ownership is negatively related to voluntary disclosure. Similarly, Chau and Gray (2002) analysed a sample of listed companies from Hong Kong and Singapore. They found that family-controlled firms disclose less voluntary information, while firms with higher ownership held by shareholders who are not directors issue more information. These authors concluded that shareholders not represented on the board require more information than do the members of the controlling family who are also directors, as the latter already have the information. Companies from these three countries (Malaysia, Hong Kong and

Singapore) are characterized by a concentrated ownership in which families are one of the most important shareholders. This is also the case in Spain.

Based on the previous arguments, we state our first hypothesis as follows:

Hypothesis 1: Non-board ownership has a positive effect on the transparency of CSR information.

Focussing on significant shareholders on the board, they are provided with the information on how the firm is being managed. This information should cover all the relevant issues on the firm's strategy and management, including CSR policies and performance. Firms compare costs and benefits to decide whether or not to disclose voluntary information (Healy & Palepu, 2001). The publication of SRs, especially those with high-quality information, implies the assumption of costs by companies (Brammer & Pavelin, 2008; Jones & Solomon, 2010). Therefore, promoting TCSR could be of no interest to significant shareholders who are directors, given that they may at first regard it as a cost adding no value to their assessment on the way managers run the firm. The influence of these shareholders on CSR reporting depends on their power to decide within the board, represented by their percentage of ownership. Leung and Horwitz (2004) analysed the relationship between board ownership and voluntary financial disclosure in a sample of listed companies from Honk Kong. They found that board ownership has a positive effect on voluntary disclosure when it is below 25%, as it contributes to align the interests between shareholders and managers by means of a tougher supervision. When board ownership increases above that threshold, agency problems shift from managers/shareholders (type I of agency problems) to controlling shareholders/minority shareholders (type II of agency problems). In this situation, board and managers entrench, which leads to less disclosure.

As it is aforementioned, we assume that CSR reporting could play a complementary role to that of financial reporting as a monitoring mechanism of managers. Therefore, we expect a similar ambivalent relationship as the one reported by Leung and Horwitz (2004). When significant shareholders on board jointly hold less than 25% of ownership, they may behave similarly to non-board shareholders. Thus, in this situation, board ownership might promote TCSR to signal the market that board and managers are working towards responding to the interests of shareholders, especially those not seated on the board. This effect is particularly important for our setting, as we are dealing with listed firms. Conversely, when shareholders who are directors hold more than 25% of ownership, we can expect that board ownership negatively affects TCSR. In this ownership structure, interests of significant shareholders who are not directors may be relatively small, and accountability towards them and minority shareholders becomes less important (Khan et al., 2013).

The previous arguments lead us to state our second hypotheses in two sub-hypotheses, as follows:

> *Hypothesis 2:* Board ownership has an ambivalent effect on the transparency of CSR information.
>
> > *Hypothesis 2a:* Board ownership has a positive effect on the transparency of CSR information, when directors hold less than 25% of ownership.
> >
> > *Hypothesis 2b:* Board ownership has a negative effect on the transparency of CSR information, when directors hold more than 25% of ownership.

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3. Methodology

3.1. Data collection and Variable measurement

3.1.1. Data collection

We used the methodology developed by Fernandez-Feijoo, Romero & Ruiz (2014a) to measure TCSR. Relying on previous research, these authors identified several characteristics of TCSR based on data available in the GRI database: frequency of SRs, level of application, declaration of that level and existence of assurance of SRs. To follow this methodology, we collected data from the GRI database, for the Spanish listed companies during the period 2009-2011. However, some firms that published SRs using the GRI guidelines might not be included in this database (Iyer & Lulseged, 2013). Thus, we checked the webpage of each company in the sample to collect the information on the SRs of those firms that were not available in the database and to corroborate the accuracy of the data of GRI.

Since 2008, Spain has been going through an economic crisis which has led to important adjustments in companies' structures. As a consequence, many enterprises disappeared or merged and others changed their names. The situation of each company was analysed before collecting data. We identified 9 companies that were included twice under different names and we removed them from their former designation.

Finally, all listed companies in Spain have to deposit their corporate governance report in the CNMV each year. However, the reports of 13 companies during the analysed period could not be obtained; hence, we removed them. After these adjustments, our final sample consists of 128 companies.

3.1.2. Dependent variable

TCSR is the dependent variable. Previous studies regarded TCSR as a multidimensional construct, gathering different characteristics and principles, such as the quantity and quality of the information, timeliness, comparability or verifiability (Bushman, Piotroski & Smith, 2004; Dubbink et al., 2008; Williams, 2005). As it is aforementioned, we apply the methodology developed by Fernandez-Feijoo et al. (2014a) to measure TCSR. Their methodology gathers in single variable four characteristics of SRs following the GRI Guidelines related to their level of transparency. This method is applicable to different periods of time because each of the components of the variables is calculated as a proportion of the number of years analysed.

- Frequency of SRs. It measures how many years a company published a SR respect to the total years of the analysed period. It ranges from 0 to 1. This variable is a proxy for the level of the disclosure intensity, which is related to TCSR.
- Level of application. It measures the number of times a company got an A, the maximum level according to G3 and G3.1 GRI guidelines (GRI, 2006, 2011), respect to the number of SRs published during the analysed period. It ranges from 0 to 1. This variable is a proxy for the level of completeness, relevance and public disclosure, which are related to TCSR.
- Declaration of level. It measures the number of times the level of a company was declared by GRI or a third party respect to the number of SRs published during the analysed period. It ranges from 0 to 1. This variable is a proxy for the reliability and verifiability, which are related to TCSR.

- Assurance of SRs. It measures the number of times a company presented an assurance statement respect to the number of SRs published during the analysed period. It ranges from 0 to 1. This variable is a proxy for the credibility of the information, which is related to TCSR.

Following Fernandez-Feijoo et al. (2014a), once data were collected, we performed a dimension reduction with a principal component analysis of the four variables. Table 1 presents the Kaiser-Meyer-Olkin coefficient and the Bartlett's spherecity test. Both statistics indicated that the analysis factor is adequate. The principal components analysis extracted one component, which measures TCSR. We used this component as the dependent variable.

<Place Table 1 here>

3.1.3. Independent variables

We defined two independent variables to test each hypotheses:

- Non-board ownership (NBO). It measures the average percentage of voting rights held by significant shareholders who were not members of the board of directors during the period. We use this variable to test *Hypothesis 1*.
- Board ownership above 25% (BO25). It is a dichotomous variable that takes the value of 1 if the average percentage of voting rights held by significant shareholders who were members of the board of directors during the period is above 25%, and 0 otherwise. We use this variable to test *Hypothesis 2.* The coefficient of this dichotomous variable will indicate that firms with board ownership below or equal to 25% have an opposite effect to those above that threshold. We defined board ownership in this way due to the concentrated ownership that characterizes Spanish firms (de Miguel et al., 2004; Azofra et al.,

2007). When ownership is highly concentrated, type II agency problems between controlling and minority shareholders are more relevant.

Similarly to Godos-Díez et al. (2014), we followed the criterion of the Spanish National Stock Market Commission (Comisión Nacional del Mercado de Valores (CNMV)) and we considered a significant shareholder as the one who owns at least 3% of the voting rights. We collected the information on ownership structure by hand from the annual corporate governance reports available on the CNMV webpage. In these reports, companies must disclose the name of the shareholders that own at least a 3% of the voting rights, indicating the percentage that they hold and whether or not they are members of the board.

3.1.4. Control variables

We considered two groups of control variables with a significant effect on CSR reporting based on previous literature. The first group is related to some characteristics of the board of directors. The relationship between this corporate governance mechanism and CSR reporting has been already analysed in Spain (Garcia-Sanchez, Cuadrado-Ballesteros & Sepulveda, 2014; Prado-Lorenzo et al., 2009a, Prado Lorenzo, García Sánchez & Gallego-Álvarez, 2009b) and in other countries (Amran, Lee & Devi, 2014; Barako & Brown, 2008; Haniffa & Cooke, 2005; Khan et al., 2013; Rodríguez-Ariza, Frías Aceituno & García Rubio, 2014). Basically, there are three characteristics of the board of directors that affect CSR reporting practices. Firstly, although some authors found a negative (Brammer & Pavelin, 2008; Haniffa & Cooke, 2005) or neutral relationship (Amran et al., 2014; Prado-Lorenzo et al., 2009a), the level of independence of the board is generally related to better CSR reporting (Barako & Brown, 2008; Garcia-Sanchez et al., 2014; Khan et al., 2013; Prado Lorenzo et al.,

2009b; Rodríguez-Ariza et al., 2014). Secondly, the presence of female directors is also found to have a positive effect on CSR reporting (Barako & Brown, 2008; Fernandez-Feijoo, Romero & Ruiz, 2014b; Garcia-Sanchez et al., 2014; Rodríguez-Ariza et al., 2014). Finally, some studies reported a negative relationship between CSR reporting and CEO duality (when the same person is the CEO and the chairperson of the board) (Lattemann, Fetscherin, Alon, Li & Schneider, 2009; Mallin & Michelon, 2011). Particularly, in the Spanish context, Prado Lorenzo et al. (2009b) found that this variable has a negative effect on the publication of SRs. We included these three variables to test their effect on TCSR.

We measured the independence of the board as the average proportion of outside directors during the period (OUT), in a similar way as Amran et al. (2014), Barako and Brown (2008), and Prado Lorenzo et al. (2009b) did it. Following Barako and Brown (2008), Garcia-Sanchez et al.(2014) and Rodríguez-Ariza et al. (2014), we measured the presence of female directors as the average proportion of women on the board during the period (WOM). Finally, we measured CEO duality as the number of years when the chairperson of the board was also the CEO of the company, respect to the three years analysed (DUA). This variable was used by Khan et al. (2013), Lattemann et al. (2009) and Prado Lorenzo et al. (2009b).

The second group of control variables is related to firm characteristics. According to Fifka (2013) and Hahn and Kühnen (2013), firm size has a positive influence on CSR reporting. Companies belonging to environmentally sensitive industries disclose better CSR information (Archel, 2003; Brammer & Pavelin, 2008; Reverte, 2009). Additionally, companies with higher visibility and media exposure report CSR more adequately (Brammer & Pavelin, 2008; Garcia-Sanchez et al., 2014; Luna Sotorrío & Fernández Sánchez, 2010; Reverte, 2009).

We measured size as the average logarithm of the firm's total assets during the period (SIZE). We coded industry as a dichotomous variable (ENV). It takes a value of 1 if the firm belongs to an environmentally sensitive industry and 0 otherwise. We used the industry categorization of the Spanish Stock Exchange and classified the group of basic material, industry and construction, as well as the group of petroleum and energy as environmentally sensitive industries. Finally, to measure visibility (VIS) we adapted one of the proxies used by Luna Sotorrío and Fernández Sánchez (2010) to assess this construct: corporate reputation considering the inclusion of the company in the MERCO Index. We measured this variable as the number of years that a company was included in the MERCO index respect to the three years analysed.

3.2. Research model

To test our hypotheses, we defined two multiple linear regression models, each per hypothesis. We used two different models to avoid multicollinearity problems between the independent variables as one is built on the other.

$$TCSR = \beta_0 + \beta_1 NBO + \beta_2\, OUT + \beta_3\, WOM + \beta_4\, DUA + \beta_5\, SIZE + \beta_6\, ENV + \beta_7 VIS + \varepsilon$$

$$TCSR = \beta_0 + \beta_1 BO25 + \beta_2\, OUT + \beta_3\, WOM + \beta_4\, DUA + \beta_5\, SIZE + \beta_6\, ENV + \beta_7 VIS + \varepsilon$$

where TCSR is transparency of CSR information, NBO is non-board ownership, BO25 indicates if board ownership is above 25%, OUT is the percentage of outside directors, WOM is the percentage of female directors, DUA is CEO duality, SIZE is company's size, ENV indicates if the company belongs to an environmentally sensitive industry, VIS is visibility and ε is the error term.

Before running the regression analysis, the Pearson correlation coefficient matrix was obtained. The dependent variable is continuous; hence, we used the OLS

regression to estimate the parameters of our model. Finally, we applied a battery of tests to verify the fulfilment of the assumptions required to apply OLS.

4. Results

4.1. Descriptive statistics and correlation matrix

Table 2 presents the main descriptive statistics of the continuous (Panel A) and dichotomous (Panel B) variables of our models. Firms with board ownership above 25% represent 42.2% of the sample. The significant shareholders that are not directors own on average 33.0% of the voting rights and significant shareholders that are members of the board hold 25.0% (this figure is not reported in the table). If we combine this figure to the percentage held by significant shareholders that are not directors, we obtain that roughly 58% of the voting rights are owned by significant shareholders. This percentage corroborates the high ownership concentration in Spain. For instance, de Miguel et al. (2004) reported that significant shareholders held on average 64.31% of common shares, for their sample between 1990 and 1999. Similarly, Sánchez Ballesta and García-Meca (2005) found that significant shareholders owned 58.0% of the shares on average between 1999 and 2002. These authors also reported that directors held 18.6%, on average, of the shares. If we compared this figure to the 25.0% in our sample, it might show an increase of board ownership in the last decade.

In relation to the characteristics of the board of directors, the percentage of outside directors is 81.7% on average. There are two types of outside directors: independent and proprietary directors, who represent the 33.9% and the 42.2% of the board, respectively (these figures are not reported in the table). This result shows that Spanish listed companies meet on average the recommendation of the Spanish corporate governance code (CNMV, 2015), which suggests that at least one third of the members

of the board should be independent directors. It is also noteworthy that in nearly 70% of the companies the chairperson is also the CEO. Finally, only 9.3% of the directors are women. This figure indicates the existence of gender inequality on Spanish boards.

Regarding corporate characteristics, the mean of the logarithm of the firms' total assets is 9.06. Firms operating in environmentally sensitive industries represent 33.6% of the sample. Finally, the average percentage of times that the companies were included in the Merco Index during the period is 25.0%.

<Place Table 2 here>

Table 3 presents the correlation matrix between TCSR and the independent variables. All independent variables are significantly correlated with TCSR. Thus, they support the association between the predictors and the dependent variable. Nonetheless, there are significant correlations between some control variables, which could pose multicollinearity concerns. Table 4 presents the variance inflation factor (VIF) for each independent variable in each main model. The highest VIF (1.949) is below the threshold of 3.3 suggested by Roberts and Thatcher (2009); hence, there are no multicollinearity problems. The correlation matrix also shows that the main independent variables that we use to test the hypotheses, NBO and BO25, are highly and significantly correlated. Using both variables in the same model raises the VIFs of the independent variables. Thus, we tested these variables in different models to reduce potential multicollinearity affecting the estimated coefficients, as we explained above.

<Place Table 3 here>

4.2. Empirical results

Table 4 presents the standardized coefficients and the bilateral significance of the OLS regressions. Model 1 includes the variable NBO to test *Hypothesis 1*, while model 2 includes the variable BO25 to test *Hypothesis 2*. Both models are significant

(F=35.343, p-value=0.000; F=32.437, p-value=0.000) with an adjusted R square of 65.40% and 63.40%, respectively. Before analysing the results, we checked that the assumptions required to apply OLS are fulfilled. As previously stated, there are no multicollinearity problems. The histograms of the residuals and the Q-Q plots show an almost normal distribution for the two models. The Durbin-Watson statistic indicates that there are no autocorrelation issues in any model (DW=1.917, DW=1.989). Finally, none of the observations can be considered potential outliers because Cook's distances are always less than $F_{8,120,0.50}$=0.923 (Neter, Waserman & Kutner, 1985).

Model 1 shows that NBO has positive and significant effect on TCSR at the 1% level (*β*=0.184, *p*=0.002). As we expected, significant shareholders who are not directors positively affect TCSR. Conversely, BO25 has a negative and significant standardized coefficient in model 2 (*β*=-0.101, *p*=0.094). This result indicates that firms in which directors hold more than 25% of ownership publish SR with lower TCSR than firms with board ownership equal or below that threshold.

Regarding the characteristics of the board of directors, both models indicate that the proportion of outside directors (OUT), as a proxy for board independence, does not affect TCSR (*β*=0.050, *p*=0.398; *β*=0.050, *p*=0.413). We also found that CEO duality has no significant effect on TCSR (*β*=0.076, *p*=0.215; *β*=0.045, *p*=0.461). Besides, we can observe in model 1 that companies with a higher presence of female directors (WOM) are more likely to provide more TCSR (*β=0.107*, *p*=0.055; *β*=0.089, *p*=0.117).

In relation to firm characteristics, we found that all of their coefficients have their expected sign. Firms size (SIZE; *β*=0.155, *p*=0.031; *β*=0.178, *p*=0.017), the fact that the firm operates in environmentally sensitive industries (ENV; *β*=0.097, *p*=0.075; *β*=0.104, *p*=0.064), and visibility (VIS; *β*=0.593, *p*=0.000; *β*=0.590, *p*=0.000) have a positive and significant effect on TCSR in both models.

<Place Table 4 here>

To assess the consistency of our results, we performed a sensitivity analysis. We run other regressions including, excluding and changing the definition of some independent variables at a time, and leaving the other as they were included in the initial model (Table 5). In model 3, we run a regression including both ownership variables at a time, and controlling for the other independent variables. The effect of NBO remained positive and significant; while BO25 has a negative but non-significant effect. This could be due to the multicollinearity problem that we pointed out when we explained the research models in section 3.2.

In model 4, we test the effect of board ownership, measured as the percentage of voting rights held by significant shareholders who are directors. The results show that this variable has a negative and significant effect on TCSR. When board ownership is very high, shareholders on board entrench, leading to less complete and transparent disclosures, including CSR. This model corroborates the behaviour of BO25 in model 2

In models 5 and 6, we used the two ownership variables (NBO, and BO25 included in the original models (model 1 and 2). Similarly to Garcia-Sanchez et al. (2014) and Prado Lorenzo et al. (2009b), we broke down the representation of the outside directors in independent (IND) and proprietary (DOM) directors in models 5.1 and 5.2. The results of model 5.1 show that both types of directors are not significant, while the coefficient of proprietary directors is positive and significant at a 10% level in model 5.2. This result might be explained by the fact that proprietary directors are members of the board representing shareholders that are not on the board. Thus, proprietary directors behave as non-board shareholders. The significance of the rest of the variables remains the same as in the original models.

Finally, in models 6.1 and 6.2 we used a dichotomous variable (IBEX) as proxy of firm size, instead of the average logarithm of the total assets. IBEX takes the value of 1 if the company was listed in the Ibex-35 between 2009 and 2011. This stock market index includes the 35 largest listed companies by capitalization in Spain. The coefficient of this proxy for firm's size is positive and significant, while the rest of the results remain similar to the ones in models 1 and 2. We must note that in model 6.2, BO25 has a non-significant effect. Further analyses (not reported) show that boards of Ibex-35 firms are significantly less likely to own more than 25% of ownership. This different distribution of BO25 among firms could drive the unexpected non-significant result.

To sum up, the results of the additional regressions coincide with the ones of our initial models. The positive and significant effect on TCSR of NBO seems consistent. Therefore, we accepted *Hypothesis 1*. Regarding BO25, the significance of this variable decreases in model 3 when also controlling for NBO and in model 6.2. Therefore, we partially accept *Hypothesis 2*. Finally, the effect of the control variables WOM, SIZE, ENV and VIS are robust and consistent with prior research.

<Place Table 5 here>

5. Discussion

Our main result indicates that the relationship between ownership and TCSR is different depending on whether or not the shareholders are members of the board of directors. Significant shareholders who are not directors are positively related to TCSR. These finding point out that, although significant shareholders in Spain encourage CSR policies and strategies (Godos-Díez et al., 2014), their effect on the promotion of more transparent CSR reporting is different. Due to the monitoring role of the board, managers must provide directors with all the required information to assess the performance and the strategy of the firm, including its CSR policies. As a consequence,

those significant shareholders who are not directors are more likely to demand and incentive TCSR. These results are consistent with those studies that found that the level of financial and voluntary disclosures are lower when the percentage of ownership held by directors increases (Akhtaruddin & Haron, 2010; Chau & Gray, 2002; Sánchez Ballesta & García-Meca, 2005). We also agree with Fernández Sánchez et al. (2011), who found that the percentage of ownership held by shareholders who are not directors is positively related to the CSR behaviour of the company.

Regarding significant shareholders who are directors, we found that their effect depend on the stake that they jointly hold. When board ownership is above 25%, significant shareholders on board regard the disclosure of SRs with high TCSR as a cost that does not contribute to monitor management. Additionally, these firms may be less dependent on the market; hence, they may not need to provide positive signals. As Khan et al. (2013) reported, for firms with high board ownership, public accountability is less relevant, leading to lower levels of reporting. Conversely, firms with board ownership lower than the 25% threshold publish more transparent SR. These companies may do that to show that the interests in CSR of significant shareholders not represented on the board are being considered. In this way, they are also providing positive signals to the market and minority shareholders.

The ambivalent relationship found between board independence and TCSR contributes to the debate on the influence of board independence on CSR reporting. Previous research, in Spain and in other countries, has not reached a consensus on the effect of this variable on CSR reporting. While some studies reported a positive effect on how companies disclose CSR information (Barako & Brown, 2008; Khan et al., 2013; Prado Lorenzo et al., 2009b; Rodríguez-Ariza et al., 2014), other authors found a negative (Brammer & Pavelin, 2008; Haniffa & Cooke, 2005), and a third group

reported a neutral relationship (Amran et al., 2014; Prado-Lorenzo et al., 2009a). Our finding is in line with the last group of studies. For instance, Prado-Lorenzo et al. (2009a) explain the neutral relationship arguing that these directors represent minority shareholders, who are more interested in financial performance than in CSR. Another possible explanation for this result is provided by Amran et al. (2014). These authors suggested that outside directors are not daily related to how companies are being managed, which balances their expected positive influence on CSR information.

Our results on the positive influence of female directors is consistent with previous studies that analysed the relationship between women on boards and CSR reporting in Spain (Garcia-Sanchez et al., 2014) and in other countries (Barako & Brown, 2008; Fernandez-Feijoo et al., 2014b; Rodríguez-Ariza et al., 2014). It is noteworthy that, despite their low presence of Spanish boards, women have a significant and positive effect on TCSR. Female directors promote corporate social performance given their greater sensitivity towards others and their greater concern regarding the interests of the stakeholders (Mallin & Michelon, 2011). This major consideration for the stakeholders is demonstrated in the disclosure of more transparent SRs, to satisfy their demands for greater transparency (Gray, 2006; Nielsen & Thomsen, 2007).

Unexpectedly, we found that CEO duality does not affect TCSR. CEO duality is supposed to hinder the accountability of the company because it limits board independence and leads to a conflict of interests (Roberts, McNulty & Stiles, 2005). Previous studies corroborate this effect in the field of CSR (Latteman et al., 2009; Mallin & Michelon, 2011). However, the ownership structure of Spanish firms justifies our result. Khan et al. (2013) found a neutral relationship between duality and CSR reporting in Bangladesh. These authors argued that this result is a consequence of a particular characteristic of the Bangladeshi firms: the selection of the chairperson and

the CEO from the owning family. This situation renders the CEO-chairperson separation to a mere ritual with no actual effect. We think that this argument can also be applied in this case. Spanish listed firms are characterized by a highly concentrated ownership, with families being one of the most important shareholders (Ruiz-Mallorquí & Santana-Martín, 2009). According to La Porta, Lopez-de-Silanes and Shleifer (1999), it is very common for the CEO and the chairperson to be a member of the controlling family in countries where these two characteristics are met (*e.g.* almost 70% of the CEOs in our sample are also chairs). As the reputation of the owning family is aligned to the firm's reputation, the family has incentives to fulfil the expectation of the stakeholders (Iyer & Lulseged, 2013). Thus, this situation dilutes the negative effect of CEO duality.

The three variables related to firm characteristics have a positive relationship with TCSR. Larger companies are more likely to provide more transparent SRs. Other authors reported similar results on the relationship between corporate size and CSR reporting (Fifka, 2013; Hahn & Kühnen, 2013). Particularly, Ibex-35 companies, which are included in the sample, are pioneers in CSR and publish more SRs (De la Cuesta & Valor, 2013) and assure them more than others (Zorio, García-Benau & Sierra, 2013). These characteristics promote TCSR. Companies operating in environmentally sensitive industries also provide higher levels of TCSR. This result is in line with those of Brammer and Pavelin (2008), García-Sánchez (2008) and Reverte (2009). Finally, consistent with previous studies (Brammer & Pavelin, 2008; Garcia-Sanchez et al., 2014; Luna Sotorrío & Fernández Sánchez, 2010; Reverte, 2009), we also found that the more visible the firms are, the more likely they are to publish more transparent SRs.

6. Conclusions

This paper analyses the relationship between ownership structure and TCSR in a sample

of Spanish listed firms between 2009 and 2011. Specifically, this paper analyses the effect of ownership and distinguishes between the significant shareholders who are directors and those significant shareholders who are not. Research on ownership structure in Spain is especially relevant because it is an important internal corporate governance mechanism, particularly in civil law countries (La Porta, López-de-Silanes, Shleifer & Vishny, 2000, Godos-Díez et al., 2014).

We found that significant shareholders who are not directors have a positive effect on TCSR. Regarding significant shareholders who are members of the board, our results indicate their relationship to TCSR depends on the stake they jointly hold. Our findings show that when board ownership is above 25%, these shareholders hinder TCSR. This result can be explained by the strength position these significant shareholders hold in the board. They do not need further voluntary reports due to their complete access to all firm's information. Conversely, when their ownership position is not so strong, less than 25%, they are more likely to provide higher levels of TCSR and tend to behave in a similar way as shareholders non-members of the board. It seems that they are not confident about the control they can exert. This effect might be arising agency problems.

Our findings contribute to the academic literature that assesses the relationship between ownership and CSR reporting. In contrast to previous studies analysing this relationship in Spain that focused on ownership concentration (Prado-Lorenzo et al., 2009a; Reverte, 2009), we assessed ownership differently by distinguishing whether or not the significant shareholders are directors.

As explained above, our results indicate that information asymmetry exists between significant shareholders given that those who are not members of the board are not provided with the CSR information that they could require. So, the disclosure of

more transparent SRs can be regarded as a way to mitigate this asymmetry. Two main reasons could explain the interest of those shareholders in more transparent CSR information: the strategic importance of CSR and the value relevance of CSR information. CSR is a relevant element of corporate agendas because of its strategic implications (McWilliams, Siegel & Wright, 2006; Smith, 2003), especially as it can be a source of competitive advantages, innovation and opportunities for companies (Porter & Kramer, 2006). Moreover, CSR has a long-term orientation, which is in line with the long-term interest of significant shareholders in the survival of the company (Godos-Díez et al., 2014). Therefore, the disclosure of more transparent SRs helps shareholders who are not directors to analyse how their companies are implementing their CSR policies and strategies. This could be even more important due to the current economic Spanish situation, given that the establishment of a CSR strategy requires managing several elements (*e.g.* innovation, stakeholder relationships or self-assessment) that could contribute to overcome the crisis (Fernandez-Feijoo, 2009). Additionally, some studies point out that financial markets value the disclosure of transparent and high-quality SRs. Reverte (2012) found that Spanish listed firms that publish SRs with higher quality have lower costs of equity capital. In a similar vein, Carnevale, Mazzuca and Venturini (2012) reported that the publication of SRs by financial institutions in Spain is positively related to firm market value. In contrast, for those firms where ownership is highly concentrated and represented on the board, these issues could be less important, and CSR reporting could be regarded as a cost that should be avoided.

Our findings could also be interesting for policy-makers. Firms in which significant shareholders on the board have an important percentage of ownership are less likely to satisfy the information requirements of the shareholders who are not

directors and the rest of the firm's stakeholders. Thus, additional recommendations promoting TCSR in corporate governance codes could help to overcome this issue.

Our results also contribute to previous research on the relationship between boards of directors and CSR reporting. First, our findings indicate that board independence and CEO duality do not affect TCSR. Thus, our results participate in the mixed debate on the influence of these variables on CSR reporting (Amran et al., 2014; Barako & Brown, 2008; Brammer & Pavelin, 2008; Khan et al., 2013; Prado-Lorenzo et al., 2009a, 2009b; Rodríguez-Ariza et al., 2014). Second, the paper corroborates the positive influence of female directors on the disclosure of CSR information reported by previous studies (Barako & Brown, 2008; Fernandez-Feijoo et al., 2014b; Garcia-Sanchez et al., 2014; Rodríguez-Ariza et al., 2014).

Finally, we would like to highlight the great gender inequality that characterizes the composition of the boards of directors in Spain. Only 9.29% of the directors, on average, are women. So, as Carrasco and Laffarga (2013) suggested, the regulation promoting the inclusion of women on boards in Spain has not been successful. One of the recommendations of the recently issued Spanish corporate governance code (CNMV, 2015) establishes the objective that in 2020 at least 30% of the directors should be women. However, considering the current situation it seems difficult that this aim would be achieved. We should note that gender inequality on boards is not a particular characteristic of the Spanish context. The number of women on boards in other European countries, such as Germany, is also low (Joecks, Pull & Vetter, 2013).

These conclusions must be considered in light of several limitations. First, the Spanish economy is suffering an important crisis which might have influenced some of the variables. Second, we were forced to reduce our sample because the annual corporate governance report of some companies was not available. Third, this study

does not consider the board structure of non-listed enterprises. The Spanish corporate governance code is addressed to public companies, which are the only ones subjected to mandatory reporting on corporate governance. Finally, the paper focuses only on one country, Spain.

These limitations also suggest avenues for future research. It would be interesting to analyse the effect of ownership on TCSR and differentiate whether or not the shareholders are directors in non-listed companies and in different countries. The latter analysis would contribute to literature, because some differences between nations may arise, especially between Anglo-Saxon countries, characterized by a shareholder-orientated model of corporate governance, and continental countries, characterized by a stakeholder-orientated model (Van der Laan Smith, Adhikar & Tondkar, 2005).

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TABLES

Table 1. Principal components analysis

Variables	Component 1
Frequency	0.949
Level of application	0.960
Declaration of level	0.950
Assurance of SR	0.951
1 component extracted	
KMO	0.876
Bartlett's spherecity test	628.367***

Notes: ***p<0.001.
n=128.

Table 2. Descriptive Statistics

Panel A: Continuous variables

	Mean	Std. dev.	Min.	Max.
TCSR	0.000	1.000	-0.740	1.579
NBO	0.330	0.268	0.000	0.974
OUT	0.817	0.113	0.467	1.000
WOM	0.093	0.089	0.000	0.430
DUA	0.690	0.443	0.000	1.000
SIZE	9.061	0.947	7.520	11.640
VIS	0.250	0.435	0.000	1.000

Panel B: Dichotomous variables

	1		0	
	Abs.	Rel.	Abs.	Rel.
BO25	54	42.19%	74	57.81%
ENV	43	33.59%	85	66.41%

Notes: n=128.

TCSR is transparency of CSR information, NBO is non-board ownership, OUT is the percentage of outside directors, WOM is the percentage of female directors, DUA is CEO duality, SIZE is company's size, VIS is visibility, BO25 indicates if board ownership is above 25%, and ENV indicates if the company belongs to an environmentally sensitive industry.

Table 3. Matrix of correlations

	TCSR	NBO	BO25	OUT	WOM	DUA	SIZE	ENV	VIS
TCSR									
NBO	0.266**								
BO25	-0.263***	-0.567***							
OUT	0.180*	0.195*	-0.231**						
WOM	0.233**	-0.162†	0.130	0.120					
DUA	0.195*	-0.247**	0.170†	-0.341***	0.028				
SIZE	0.614***	0.259**	-0.321***	0.138	0.081	0.153†			
ENV	0.212*	0.057	-0.038	0.219*	0.058	-0.025	0.027		
VIS	0.744***	0.071	-0.184*	0.124	0.217*	0.255**	0.606***	0.162†	

Notes: ***p<0.001, **p<0.01, *p<0.05, †p<0.10

n=128

TCSR is transparency of CSR information, NBO is non-board ownership, BO25 indicates if board ownership is above 25%, OUT is the percentage of outside directors, WOM is the percentage of female directors, DUA is CEO duality, SIZE is company's size, ENV indicates if the company belongs to an environmentally sensitive industry, and VIS is visibility.

Table 4. Results of the OLS regression and variance inflation factor

Variables	Model 1			Model 2		
	Stand. Coef.	t-value	VIF	Stand. Coef.	t-value	VIF
NBO	0.184	3.170**	1.236			
BO25				-0.101	-1.688†	1.243
OUT	0.050	0.849	1.272	0.050	0.821	1.290
WOM	0.107	1.937†	1.116	0.089	1.581	1.110
DUA	0.076	1.246	1.350	0.045	0.739	1.304
SIZE	0.155	2.181*	1.860	0.178	2.428*	1.870
ENV	0.097	1.797†	1.080	0.104	1.866†	1.079
VIS	0.593	8.155***	1.945	0.590	7.876***	1.949
Adj. R2		65.40%			63.40%	
F-statistic		35.343***			32.437***	

Notes: ***p<0.001, **p<0.01, *p<0.05, †p<0.10.

n=128.

Estimation method use: OLS regression. Dependent variable: TCSR is Transparency of CSR information. Independent variables: NBO is non-board ownership, BO25 indicates if board ownership is above 25%, OUT is the percentage of outside directors, WOM is the percentage of female directors, DUA is CEO duality, SIZE is company's size, ENV indicates if the company belongs to an environmentally sensitive industry, and VIS is visibility.

Table 5. Sensitivity analysis

Variables	Standardized coefficients					
	Model 3	Model 4	Model 5.1	Model 5.2	Model 6.1	Model 6.2
NBO	0.175**		0.176**		0.191***	
BO25	-0.018			-0.107†		-0.074
BO		-0.112†				
OUT	0.048	0.039			0.049	0.057
IND			0.121	0.106		
DOM			0.116	0.160†		
WOM	0.108†	0.089	0.099†	0.088	0.110*	0.084
DUA	0.077	0.045	0.072	0.058	0.075	0.038
SIZE	0.152*	0.181*	0.162*	0.183*		
IBEX					0.325***	0.323***
ENV	0.098†	0.113*	0.099†	0.095†	0.062	0.066
VIS	0.592***	0.588***	0.582***	0.584***	7.410***	0.512***
Adj. R^2	65.20%	63.60%	65.60%	64.00%	70.50%	67.70%
F	30.696***	32.705***	31.275***	29.195***	44.414***	39.035***

Notes: ***p<0.001, **p<0.01, *p<0.05, †p<0.10.

n=128.

Estimation method use: OLS regression. Dependent variable: TCSR is Transparency of CSR information. Independent variables: NBO is non-board ownership, BO25 indicates if board ownership is above 25%, BO is board ownership, OUT is the percentage of outside directors, IND is the percentage of independent directors, DOM is the percentage of proprietary directors, WOM is the percentage of female directors, DUA is CEO duality, SIZE is company's size, IBEX

indicates if the company belongs to the IBEX Index, ENV indicates if the company belongs to an environmentally sensitive industry, and VIS is visibility.