

## Accepted Manuscript

Between a rock and a hard place: New evidence on the relationship between ownership and voluntary disclosure

Håkan Jankensgård

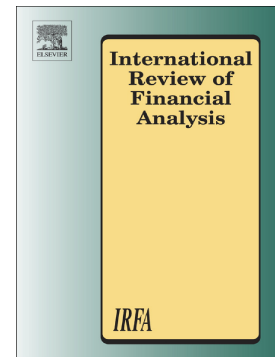
PII: S1057-5219(17)30118-7  
DOI: doi:[10.1016/j.irfa.2017.09.009](https://doi.org/10.1016/j.irfa.2017.09.009)  
Reference: FINANA 1141

To appear in: *International Review of Financial Analysis*

Received date: 1 November 2016  
Revised date: 4 September 2017  
Accepted date: 23 September 2017

Please cite this article as: Håkan Jankensgård , Between a rock and a hard place: New evidence on the relationship between ownership and voluntary disclosure. The address for the corresponding author was captured as affiliation for all authors. Please check if appropriate. *Finana*(2017), doi:[10.1016/j.irfa.2017.09.009](https://doi.org/10.1016/j.irfa.2017.09.009)

This is a PDF file of an unedited manuscript that has been accepted for publication. As a service to our customers we are providing this early version of the manuscript. The manuscript will undergo copyediting, typesetting, and review of the resulting proof before it is published in its final form. Please note that during the production process errors may be discovered which could affect the content, and all legal disclaimers that apply to the journal pertain.



# Between a Rock and a Hard Place: New Evidence on the Relationship between Ownership and Voluntary Disclosure

Håkan Jankensgård<sup>a</sup>,

## Abstract

Combining two Swedish databases with unique strengths I show empirically that stray firms, i.e. those lacking a controlling owner, have lower voluntary disclosure in financial reports (that is, information provided beyond what is formally required). This suggests managers prefer to withhold information to maximize their discretion over corporate policies. I also show that disclosure initially increases with block ownership, reflecting increased incentives to monitor and stronger governance. However, when block ownership exceeds a certain threshold level (>50%), disclosure starts to decrease, reflecting another conflict of interest, namely between minority and controlling owners. Evidence of this non-linear relationship is novel in the literature and may account for the mixed evidence in previous research. Moreover, I report findings on the impact of institutional, foreign, under-diversified, and controlling minority-owners, concluding that ownership structure has major implications for voluntary disclosure.

**Key words:** Voluntary disclosure, ownership, monitoring, agency costs, block ownership

**JEL code:** G30, G32

<sup>a</sup> Department of Business Administration, Lund University. Address: P.O. Box 7080, 220 07 Lund, Sweden. Telephone: +46 46 222 4285. Email: [hakan.jankensgard@fek.lu.se](mailto:hakan.jankensgard@fek.lu.se). The author thanks Hans Borneroth and Martin Isemo of Kanton for supplying the data and sharing their expertise on the subject matter. I also thank Niels Hermes, Venky Nagar, Dhananjay Nanda, Anders Vilhelmsson, Sven-Ivan Sundqvist, Linus Lindskog, and Karolina Lind for helpful comments. Furthermore, I thank seminar participants at the Knut Wicksell Centre for Financial Studies, Lund University, as well as participants at the Lund Accounting Research Seminar, Lund University. I also gratefully acknowledge the financial support of the Jan Wallander and Tom Hedelius foundation. All remaining errors are the responsibility of the author alone.

Download English Version:

<https://daneshyari.com/en/article/7355777>

Download Persian Version:

<https://daneshyari.com/article/7355777>

[Daneshyari.com](https://daneshyari.com)