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How Do Ownership Features Affect Corporate Governance Disclosure ? – The Case of Banking System

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Abstract: The purpose of our empirical study is to assess the relationship between ownership' features and the level of disclosure in case of banking institutions listed on London Stock Exchange, basing on the general statement that disclosure and quality of corporate governance system are two closely related concepts - the higher the level of transparency, the better the quality corporate governance practices. The research methodology used for achieving our goal is based on econometric analysis using statistical tools - correlations for identifying the relationships and regressions for assessing them - all of these being performed using SPSS software. In this respect, we developed a disclosure index, considered structure and concentration as features for assessing ownership. The results of the performed analysis reveal significant positive influences of all features tested on the level of disclosure, thus confirming our assumptions that the higher the quality of ownership, the higher the level of disclosure. Irrespective of prior studies, which were focused on various corporate governance features, our paper comes to add value in this respect by testing only ownership. Moreover, because the banking system was little explored on this topic before, we had another chance to enrich the research literature with this empirical study.

Keywords: corporate governance; ownership; disclosure; transparency; banking system

JEL Classification: M10; G30

1 Introduction

"The corporate governance framework should ensure that timely and accurate disclosure is made on all material matters regarding the corporation, including the financial situation, performance, ownership, and governance of the company." (OECD, 2004). Starting from these provisions, disclosure and the quality of corporate governance system are more often appreciated as closely related concepts - the higher the level of transparency, the better the quality corporate governance practices. Basing on this background, we focused on corporate governance disclosure, analyzing possible influences over it coming from one dimension of corporate governance mechanism. Therefore, the objective of our paper is to identify possible associations between ownership features and the level of

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disclosure through annual reports in case of banking institutions.

Unlike prior research studies which were focused on similar goals - to test possible influences of corporate governance features like board of directors size and independence, CEO duality or various ownership' features over the level of corporate governance disclosure at companies level, our paper provides a particular approach on a specific business field, the banking one that was little explored on this topic before. Moreover, our research provides a more comprehensive approach of the most important "key-player" of corporate governance mechanism – the shareholders, considering the most important features (e.g. structure, concentration) for performing the analysis, ensuring by thus originality, which adds a plus value to our study.

Basing on this background, our paper proceeds as it follows. Firstly, we briefly reviewed prior literature concerning possible relationships between ownership characteristics and banks' level of disclosure. We continued our study by developing particular hypotheses related to possible influences of ownership features over the level of transparency about corporate governance. After explaining the research methodology used, consisting of correlation and regression analysis performed using SPSS software, we tested our hypotheses using information from sampled banks' websites. Finally, we provided our research findings and discussed their implications, closely related to previous studies focused on the same goal.

2. Literature Review and Hypotheses Development

The prior international literature provides various surveys on corporate governance disclosure, by testing the influences of various features of the board of directors, executive management, shareholders or board committees, such as size, independence, gender diversity, experience, education and so on, but their findings often appeared to be opposite and, consequently, we can not talk yet about a "unique" model of good corporate governance. Thus, we agree that its "size, composition and structure can be good or bad, depending on what you are looking for" (Gup, 2007) and, moreover, we also believe that there is an optimal corporate governance structure "which varies across firms and over time" (Dahya and Travlos, 2000).

Focusing on ownership, which is the subject of our paper, we appreciate that, from the perspective of a good corporate governance mechanism, its structure is a key issue in this respect, referring by this to the types and composition of shareholders in a corporation, researchers often "quantifying" it by using various observable measures of ownership concentration or the extent of „inside" ownership. Starting from this various opinions about its characteristics aroused along time, being often

the subject of controversial debates, the most important of these being presented as follows:

2.1. Ownership Structure

The most important way of assessing ownership structure is by considering either the proportion of ordinary shares held by senior managers (the CEO and executive directors) known as managerial ownership or by those "substantial" shareholders having more than 5% from the proportion of ordinary shares known as block-holder ownership. Anyway, there are other types of ownership considered for analysis in prior literature that proved to be related to disclosure, too, such as: institutional ownership, governmental ownership or family ownership.

According to prior evidence, most researchers expected that the level of disclosure to be negatively influenced by managerial ownership, due to an increase need for monitoring and reached to persuasive results (Gul and Leung, 2004; Ghazali and Weetman, 2006; Baek, et al., 2009; Broberg et al., 2010; Cheng and Courtenay, 2006; Arcay and Vazquez, 2005; Chau and Gray, 2010; Ho and Wong, 2001). Their expectation was mainly based on the agency theory (Jensen and Meckling, 1976) according to which a low level of director ownership will lead managers to have greater incentives to consume perquisites and less incentive to maximize job performance, providing additional information through voluntary disclosure being the alternative solution to an increase monitoring of a manager's behavior that leads to additional agency costs. On the other hand, directors' shareholding is perceived as helpful to align goals and financial incentives of board members with those of outside shareholders (Bushman et al., 2004).

On the other hand, there are other researchers who tested institutional and government ownership, leading to the conclusion that these have a positive influence over transparency, because of their openness for disclosures (Akhtaruddin and Haron, 2010; Mangena and Tauringana, 2007; Barako et al., 2006; Chau and Gray, 2002; Makhija and Patton, 2004). Thus, institutional ownership plays an important role in this respect mainly due to their usually special statute that confers them at least the following advantages: a greater incentive and ability to acquire more timely pre-disclosure information than small shareholders (Chung, et al., 2002), a better ability to interpret the information disclosed in the annual reports (Bos and Donker, 2004) and a greater voting power, making it easier to take corrective action when it is deemed necessary (Donnelly and Mulcahy, 2008). On the other hand, government ownership has been the subject of two opposite opinions as regard the level of disclosure (Ghazali and Weetman, 2006), thus appreciating it as being either higher, due to pressure to disclose additional information coming for the government, or lower, due to the separate monitoring by government itself.

Anyway, there are also prior studies that could not prove their expectations (Hassan, et al., 2008; Huafang and Jianguo, 2007; Donnelly and Mulcahy, 2008; Haniffa and Cooke, 2002; Eng and Mak, 2003).

Basing on the above mentioned arguments related to ownership structure and its influences on the level of information disclosed, as well as to prior expectations and results, we proposed the following hypotheses regarding ownership structure:

> *H1: There is a positive association between managerial ownership and the extent of voluntary disclosure.*
>
> *H2: There is a positive association between institutional banking ownership and the extent of voluntary disclosure.*

2.2. Ownership Concentration

Due to the separation of ownership and control, there is a likelihood of agency conflicts (Jensen and Meckling, 1976) and the probability to incur is higher when shares are widely held than when it is in the hands of a few (Fama and Jensen, 1983). Also, the agency costs of equity are higher where a company's shares are being held by a relatively small number of shareholders (Friedland, 2003).

Most empirical studies that have tested the correlation between *ownership concentration* and the level of disclosure reached to a negative relationship (Barako et al., 2006; Tsamenyi, et al., 2007; Haniffa and Cooke, 2002; Huafang and Jianguo, 2007; Patelli and Prencipe, 2007; Chau and Gray, 2002; Cooke, 1989), but, there are also studies that could not find any association (Arcay and Vazquez, 2005; Ghazali and Weetman, 2006; Holm and Scholer, 2010; Parsa, et al., 2007; Baek, et al., 2009; Makhija and Patton, 2004; Depoers, 2000).

Ownership concentration was appreciated as an issue of bad governance for at least two reasons, Firstly, due to the ability and motivation of large stockholders to monitor their interests directly, it is considered easier for fewer shareholders to voice an opinion to which management will be forced to listen (Shleifer and Vishny, 1997). Secondly, due to the direct access to the information by dominant owners (Cormier et al. 2010), in a concentrated ownership environment, the flow of information is affected which in turn reduces corporate transparency and increases agency costs (Fan and Wong, 2000). This may lead to increased demands for organizational information that can be used to monitor management (Gelb, 2002). On the other hand, *ownership diffusion* is appreciated as a required feature for a good corporate governance mechanism, at least from the following reasons: the impossibility of shareholders to influence company's reporting practices (Zeckhauser and Pound, 1990) and shareholders' intention to scrutinize managerial performance, thereby improving corporate governance (Coulton et al. 2003).

Consequently, as regards disclosure, if in a widely held company (ownership dispersion) its role is to signal that the managers are acting in the best interests of the principals, in a highly concentrated company (ownership concentration), it comes to annihilate the conflicts of interest between "insiders" (controlling shareholders and managers) and outside investors.

Basing both on assertions supported by the agency theory that companies with concentrated ownership do not have to rely on external disclosures to the same extent as companies with dispersed ownership, as well as on most prior empirical findings that provide evidence in this respect, we proposed the following hypothesis:

> *H3: There is a positive association between diffusion of ownership and the extent of disclosure*

3. Empirical Design and Results

The research methodology used for achieving our goal is based on econometric analysis using statistical tools - correlations for identifying possible relationships and regressions for assessing them - all of these being performed using SPSS software. In this respect, firstly, we developed a disclosure index made of three sub-indices comprising information appreciated as mandatory, recommended and voluntary to be disclosed. The analysis performed followed two steps: the first one based on a correlation test between ownership attributes and the level of disclosure using Pearson coefficient, followed by a regression analysis comprising only those attributes that proved to be significantly correlated to the level of disclosure ended with a model development expressing the relationship between ownership and transparency. Within this study, two important features of ownership have been tested – structure and concentration.

3.1. Sample Selection and Variable Measurement

In this survey we aimed to identify possible associations between ownership features and the level of disclosure through annual reports in case of banking system. For achieving our goal, we selected as a *sample* all financial institutions listed on London Stock Exchange (46 banks according to the information available for the year 2011).

Data collection was based on information provided by banks' websites, the process being divided into two parts. Firstly, we measured the level of disclosure by using a checklist developed in this respect, by using banks' annual reports for year 2010 available on their websites. Secondly, we collected data related to banks'

governance system by searching in addition through their financial statements and general information provided by their website.

Because the main purpose of our study is to identify possible associations between corporate governance dimensions and the level of disclosure, two sets of *dependent and independent variables* for performing the correlation analysis are needed.

Thus, for measuring the level of disclosure, which is *the dependent variable*, we made use of a Disclosure Index (TD) especially developed in this respect that mainly consists of three sub-indices, each of them measuring a different type of disclosure, namely: *mandatory (MD), recommended (RD) or voluntary (VD).* These indices measure the extent of each type of disclosure, being calculated as a ratio of the total number of items disclosed to the maximum possible number obtainable for each category of disclosure.

Thus, we compiled three separate lists of disclosure, namely:

- a checklist of *mandatory disclosures* for entities listed at London Stock Exchange, based on the most recently Corporate Governance Disclosure Checklist (Delloite, 2011), considering The Listing Rules and The UK Corporate Governance Code, as well as the recently requirements supplemented by The Disclosure and Transparency Rules on Audit Committees and Corporate Governance Statements (2008), The Revised Version of the Turnbull Guidance on Internal Control (2005), The Guidance on Audit Committees (2010). This checklist comprises 44 items divided into six main categories of information related to general aspects, leadership, effectiveness, accountability, remuneration and relation with shareholders.
- a checklist of *recommended disclosures* based on OECD Principles, which propose that the corporate governance framework should ensure that timely and accurate disclosure is made on companies' "financial situation, performance, ownership and governance" (OECD, 1999). This checklist comprises 51 items divided into four categories, according to the disclosures required by the principles, as follows: rights of shareholders and key ownership functions, equitable treatment of shareholders, disclosure and transparency, responsibilities of the board.
- a checklist of *voluntary disclosure,* based on the Standard & Poor's list of 98 transparency and disclosure questions used for its study developed for Europe in 2003. This checklist comprises 88 items divided into three categories outlining ownership, company performance and boards (governance). This approach of developing the disclosure index was often used in prior studies aiming on the same goal (Mangena and Tauringana, 2007; Tsamenyi, et al., 2007; Aksu and Kosedag, 2006).

After joining the three separate checklists, a final checklist of 142 items was structured, basing on S&P's study, into 4 main categories: *general provisions (2), ownership structure and investor rights* (43), *financial transparency and information disclosure* (46), *board structure and process* (78). This was supplemented with 8 additional items used in at least one previously published study focused on the same topic and 15 own items, thus resulting a comprehensive checklist list of 167 items consisted of 31 mandatory, 54 recommended and 82 voluntary disclosures.

For developing the disclosure index each item of the checklist was scored using *binary classification*, each issue from the list being treated a dummy variable, where "1" indicates that the annual report discloses the information and '0' indicates that there is not disclosed any information about that issue.

The disclosure index was computed using an *un-weighted scoring approach* of the disclosure items, basing on the assumption that each item of information disclosure is of equal importance in the corporate information users' decision-making process. The main reason to do so is related to the subjectivity that might occur when different weights are assigned to reflect the importance of certain types of information. Our approach is supported by most prior studies aimed to develop such an index of disclosure, unlike weighted scores, which were rarely used before (Barako, et al., 2006; Cheng and Courtenay, 2006; Patelli and Prencipe, 2007).

The independent variables consisted of various features of ownership that prior studies found to have significant influences over the level of disclosure, are presented in details in Table 1.

Table 1. Independent variable description

Independent variables		Variables description	Predicted sign
Ownership concentration	O_Conc	share capital held by the majority shareholder	-
Managerial ownership	O_Manag	shares owned by shareholders being in executive positions	-
Banking institutional ownership	O_Inst.Bank	shares owned by banking institutions	+

Source: Own projection

The analysis performed followed two steps: the first one based on a correlation test between ownership attributes and the level of disclosure, followed by a regression analysis comprising only those attributes that proved to be significantly correlated to the level of disclosure.

3.2. Data Analysis and Hypotheses Test Results

For performing the correlation analysis, the first step of our analysis whose results are detailed in Table 2, we calculated Pearson coefficient that is usually used for measuring the strength of linear dependence between two variables, giving a value between "1" describing the perfect direct relationship and "-1" revealing an indirect one, "0" value meaning that there is no linear correlation between variables

Table 2. The correlation matrix between variables

		O_Conc	*O_Manag*	*O_Inst.Bank*
TD_Index	Pearson Correl	-0,555**	0,377**	0,414**
	Sig. (2-tailed)	0,000	0,010	0,004
MD_Index	Pearson Correl	-0,556**	0,301*	0,250
	Sig. (2-tailed)	0,000	0,042	0,094
RD_Index	Pearson Correl	-0,495**	0,283	0,416**
	Sig. (2-tailed)	0,000	0,057	,004
VD_Index	Pearson Correl	-0,450**	0,410**	0,395**
	Sig. (2-tailed)	0,002	0,005	0,007
	N	46	46	46

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

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

Source: calculations made using SPSS software

As it can be seen, according to the sign of Pearson coefficient, *ownership concentration* (O_Conc) is the only corporate governance feature tested that has a negative influence of medium intensity and the highest probability of 99% (Sig. <0,01) over the level of transparency, for both total disclosure and all its sub-indices. As regards *ownership structure*, it proved to positively influence the corporate governance total disclosures, as well as the voluntary once. Moreover, the institutional banking ownership (O_Inst.Bank) is highly significant in case of recommended disclosures, while the mandatory once were influenced just in a low extent by the managerial ownership (O_Manag).

Because Pearson coefficients reveal that there are correlation between variables tested, the next step of our analysis was to test their significance by using the linear regression analysis, whose results are presented in Table 3.

Table 3. Linear regression analysis results

Model	Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1 (Constant)	66,689	3,251		21,130	0,000
O_Conc	-0,249	0,056	-0,555	-4,427	0,000
R Square: 0.308	Adjusted R Square: .292		F value: 19.597	F significance: 0.000	
2 (Constant)	51,627	2,149		24,043	0,000
O_Manag	8,398	3,108	0,377	2,703	0,010
R Square: 0.142	Adjusted R Square: .123		F value: 7.304	F significance: 0.010	
3 (Constant)	51,080	2,157		23,677	0,000
O_Inst.Bank	9,217	3,051	0,414	3,021	0,004
R Square: .0172	Adjusted R Square: 0.153		F value: 9.125	F significance: 0.004	

Source: calculations made using SPSS software

By analyzing the values of Pearson's coefficient and the results of linear regression analysis performed we reached to the following conclusions

- in case of ownership concentration (O_Conc) there is a significant negative correlation of medium intensity and a probability of 99% (Sig. <0,01) between variables tested (0,555 in case of total disclosure), which is explained in 29,2% of cases, according to the linear regression results. Medium intensity associations with the same significance were identified in case of disclosure sub-indices, too, Pearson's values being between 0,450 in case of voluntary disclosures and 0,556 in case of mandatory ones. Thus, basing on assertions supported by the agency theory that companies with concentrated ownership do not have to rely on external disclosures to the same extent as companies with dispersed ownership, we hypnotizing that *"There is a negative association between ownership concentration and the extent of disclosure"*, our first hypotheses (*H1)* being *accept*ed;

- in case of ownership structure, respectively *managerial ownership* (O_Manag*)*, there is a significant positive correlation of medium to low intensity and a probability of 99% (Sig. <0,01) between variables tested (0,377 in case of total disclosure), which is explained in 12,3% of cases. Medium to low intensity positive associations with the same significance was identified in case of voluntary disclosure (0,410), while the probability of significance in case of mandatory disclosure was lower (just 95% (Sig. <0,05)). In case on recommended disclosure there was not found any significant correlation. Thus, basing on the premise that when leadership structures own shares, there is little incentive to provide more disclosure, since their interests are more aligned with the shareholders, we hypnotized that *"There is a positive association between managerial ownership and the extent of voluntary disclosure"*, our second hypotheses *(H2)* being *accepted*;

- in case of ownership structure, respectively *banking institutional ownership* (O_Inst.Bank), there is a significant positive correlation of medium intensity and a probability of 99% (Sig. <0,01) between variables tested (0,414 in case of total disclosure), which is explained in 15,3% of cases, according to the linear regression results presented below. Medium intensity associations with the same significance were identified in case of recommended disclosure (0,416) and voluntary disclosure (0,395), while in case of mandatory disclosure there was not find any significant correlation. Thus, basing on the premise that generally institutional and government ownership have a positive influence on transparency, because of their openness for disclosures, we hypnotized that *"There is a positive association between institutional banking ownership and the extent of voluntary disclosure"* our third hypotheses *(H3)* being *accepte*d.

4. Model Development

Considering the purpose of our research – to find the most appropriate answer to our question "Do corporate governance "actors"' features affect banks' value?" – we appreciate as the best alternative to develop a model expressing all significant influences of the board, executive management and shareholders over strategies followed and performances reached by banks.

In this respect, we used multiple regression as the method of analysis and Ordinary Least Squares (OLS) as the method of estimation. For developing our models, we start for the general economic model used in prior literature focused on similar goals:

$$Y= \alpha + \beta i * F_{it} + e_{it}$$

where, Y is the dependent variable; α is constant, βi is the coefficient of the explanatory variable, F_{it} is the explanatory variable (corporate governance features in our case) and e_{it} is the error term (assumed to have zero mean and to be independent across time period).

For developing our model, firstly we had to test the significance of the relationship between dependent variables and all independent variables, where proved to exist a correlation, according to Pearson coefficient values.

Using linear regression and both "enter" and "stepwise" methods, we selected for our model just those independent variables that proved to explain better the influences over the dependent ones, considering R square coefficient values. Also, the analysis of variance performed, using Anova test, helped us measuring the strength of each relationship established.

By applying "enter" method, whose results are detailed in Table 4, we identified those independent variables that proved to explain better the influences over each

type of disclosure, but the results achieved could not allow us developing a model comprising all attributes.

Thus, only ownership concentration proved to have a significant influence over the level of disclosure, excepting the voluntary once.

Table 4. Regression analysis using "enter" method

Variables	*TD_Index*			
	Coeff.	Sig.	Toler.	VIF
(Constant)	64,282	0,000		
O_Conc	-0,202	0,011*	0,565	1,769
O_Manag	1,576	0,659	0,636	1,572
O_Instit. Bank	2,429	0,512	0,592	1,688
F value: 6.659	R Square: .322			
F signif: .001	Adjusted R Square: 0.274			
*) *significant for p-value<0.1*				

Variables	*MD_Index*			
	Coeff.	Sig.	Toler.	VIF
(Constant)	80,256	0,000		
O_Conc	-0,369	0,001**	0,694	1,441
O_Manag	-0,314	0,950	0,694	1,441
F value: 9.612	R Square: 0.309			
F signif: 0.000	Adjusted R Square: 0.277			
**) *significant for p-value<0.05*				

Variables	*RD_Index*			
	Coeff.	Sig.	Toler.	VIF
(Constant)	71,143	0,000		
O_Conc	-0,229	0,023*	0,646	1,548
O_Instit. Bank	5,558	0,254	0,646	1,548
F value: 7.866	R Square: 0.268			
F signif: 0.001	Adjusted R Square: 0.234			
*) *significant for p-value<0.1*				

Variables	*VD_Index*			
	Coeff.	Sig.	Toler.	VIF
(Constant)	51,754	0,000		
O_Conc	-0,101	0,150	0,565	1,769
O_Manag	3,719	0,255	0,636	1,572
O_Instit. Bank	2,668	0,428	0,592	1,688
F value: 4.690	R Square: 0.251			
F signif: 0.006	Adjusted R Square: 0.197			

Source: calculations made using SPSS software

Therefore, we had to made use of "stepwise" method, whose results are detailed in Table 5 that helped us selecting just those independent variables that were significant, being thus retained for our model.

Table 5. Regression analysis using "stepwise" method

TD_Index			*MD_Index*		*RD_Index*		*VD_Index*	
Variables	Coeff.	Sig.	Coeff.	Sig.	Coeff.	Sig.	Coeff.	Sig.
(Constant)		0,000		0,000		0,000		0,000
O_Conc	-0.555	0,000	-0,556	0,000	-0,495	0,000	-0,450	0,002
F value: 19.597			F value: 19.666		F value: 14.288		F value: 11.151	
F signif: 0.000			F signif: 0.000		F signif: 0.000		F signif: 0.002	
R Square: 0.308			R Square: 0.309		R Square: 0.245		R Square: 0.202	
Adj. R Square: 0.292			Adj. R Sq: 0.0293		Adj. R Sq: 0.228		Adj. R Sq: 0.184	
these models are significant for p-value<0.01								

Source: calculations made using SPSS software

For all disclosure indices we developed a model with a high probability of significance of 99% (Sig. <0,01), that can be explained in maxim 30% of cases, according to R Square values which range between 0,202 and 0,309, the only ownership attribute retained in these models being ownership concentration. In conclusion, the regression model revealing the association between ownership and the extent of disclosure is expressed by the following equation:

$$D_Index = \alpha + \beta 1 * O_Conc \quad (p\text{-}value < 0.01)$$

5. Findings and Conclusions

Corporate governance has become one of the most debated subject, especially in banking environment, as a consequences of the latest financial crisis that spread all over the world. The lack of transparency and disclosure was often considered as one of the major cause of the latest corporate scandals and governance failures, adversely affecting public confidence in the reliability of corporate and financial reporting, too. In fact, this crisis made from corporate governance a controversial economic concept, bringing it as well to the attention of media and academic environment. Thus, while we assisted at a "wake-up" for better corporate governance and transparency all over the world, this concept also became one of the most attractive, dynamic and challenging research subject.

Many studies focused on corporate governance mechanism analyzed its components closely related to successes reached or unavoidable failures, concluding that weak corporate governance system negatively affect firm value, while strong governance mechanism improves efficiency. Also, disclosure and the quality of corporate governance system are appreciated as closely related concepts - *the higher the level of transparency, the better the quality corporate governance practices*.

Basing on this background, our study was aimed to provide a comprehensive analysis of the relationship corporate governance – transparency in banking environment, by trying to find answers, justified throughout empirical analysis, to the following research questions *"How does ownership affect transparency in banking system?"*

The relationship between ownership and the level of disclosure was a highly debated topic of worldwide research, whose outcomes are mixed. The most important feature tested along time in prior studies was related to its dispersed vs. concentrated character, the majority results revealing a negative relationship between ownership concentration and the level of disclosure (Barako et al., 2006; Tsamenyi, et al., 2007; Haniffa and Cooke, 2002; Huafang and Jianguo, 2007; Patelli and Prencipe, 2007; Chau and Gray, 2002; Cooke, 1989). Anyway, there were also studies testing the influences of various types of shareholders, such as

institutional ownership, governmental ownership or family ownership, and whose results were mixed, but where more often their expectations could not be proved (Hassan, et al., 2008; Huafang & Jianguo, 2007; Donnelly & Mulcahy, 2008; Haniffa & Cooke, 2002; Eng & Mak, 2003).

Irrespective of prior studies, which were focused on various corporate governance features our study comes to add value to corporate governance literature by testing a single corporate governance attribute, highly explored before - *ownership*, from various perspectives, including a new one – the banking institutional structure. Moreover, because the financial system was little explored on this topic before, we had the chance to enrich the research literature with this empirical study, whose disclosure index developed ensures it as well with originality and complexity, comprising three different categories of disclosures – mandatory, recommended and voluntary. The results of the performed analysis reveal either positive relationships between ownership features tested (e.g. structure) or negative association (e.g. concentration) and the level of disclosure, but only the last one proved to be statistically significant.

Anyway, we appreciate our study as having multiple theoretical and practical implications, being a useful source of information and reflection to interested practitioners, regarding corporate governance influences over banks' transparency. Furthermore, we consider the literature review of our paper as providing an overview image of what has already been studied related to corporate governance's impact on transparency, as a useful synthesis for both research and academic environment.

Finally, being aware of our study's limitations, coming from the sample of banks, the limited number of factors and the fact that only one year data were considered for analysis, we are appreciating these as a challenge that give us outlooks for future research.

6. Acknowledgment

This work was supported from the European Social Fund through Sectoral Operational Programme Human Resources Development 2007-2013, project number POSDRU/1.5/S/59184 „Performance and excellence in postdoctoral research in Romanian economics science domain", Babeş-Bolyai University Cluj-Napoca being a partner within the project.

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