



Measuring Transparency of the Corporate Governance in Slovenia

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Investors believe that good corporate governance reduces risk and leads to improved shareholder value. Historically, it is difficult to quantify improvements in shareholder value that is attributable directly to corporate governance improvements and/or good behavior (Beckley & Parker, 2005).

Several corporate governance indices and ratings were developed in order to measure the level of corporate governance quality. One of indices recently developed is the SEECGAN index. SEECGAN Index of Corporate Governance (hereinafter SEECGAN Index) was created and presented in 2014 as a result of the joint efforts of the members of the South East Europe Corporate Governance Academic Network. The SEECGAN Index is designed and adapted with regard to the situation and the specificities of the business environment in the selected countries of the South Eastern Europe (Croatia, Bosnia and Herzegovina, Serbia, Montenegro, Slovenia and Macedonia) (Tipurić et al., 2014). Unlike other measures of corporate governance commonly used in different studies this index captures all major aspects of corporate governance.

In order to measure a level of good governance practices implementation and to verify whether Slovenian companies perform better with regard to that, the SEECGAN index was applied on the sample of 22 companies that are listed on the Ljubljana Stock Exchange, d.d. (Djokić, Duh, Kladnik, & Martinčič, 2014; Djokić et al Mb, 2015). The SEECGAN Index of Corporate Governance that was applied covers seven segments as follows: 1) Structure and Governance of Boards; 2) Transparency and Disclosure of Information; 3) Shareholders' Rights; 4) Corporate Social Responsibility; 5) Audit and Internal Control; 6) Corporate Risk Management; 7) Compensation / Remuneration.

In the paper we are presenting the results of the research regarding transparency and disclosure of information (the second segment of corporate governance quality measured by the SEECGAN index).

Keywords: corporate governance, corporate governance index, transparency