Journal of Commerce & Accounting Research
11 (3) 2022, 01-09
http://publishingindia.com/jcar/

Submitted: 15 October, 2021
Revision: 04 January, 2022
Accepted: 29 January, 2022

LINKAGE BETWEEN BOARD STRUCTURE AND HR DISCLOSURE: AN ANALYSIS IN THE INDIAN CONTEXT

Kirti Aggarwal*

Abstract *The study examines the linkage between board structure and Human Resource (HR) disclosure of listed companies in the National Stock Exchange (NSE-200 Index). A sample of 125 firms are studied from F.Y. 2012-13 to 2020-21. The data is collected from annual reports and Centre for Monitoring Indian Economy (CMIE) ProwessIQ Database. Two-Way Least Square Dummy Variable (LSDV) regression model is employed for testing the model. The outcomes revealed that board size, board meeting, company size, and total number of pages of an annual report establish the link with HR disclosure. The study provides the feedback to different regulatory bodies, such as the Institute of Chartered Accountants of India (ICAI), about the adequacy of current guidelines on HR disclosure for Indian corporates. The HRDI used in the study would be used by businesses as a yardstick to strengthen their HR disclosure in the future. The present study provides the important information regarding HR disclosure to various stakeholders of a company (employees, investors, and so on). Based on HR disclosure, investors can easily and better understand the future potentials of a company.*

Keywords: *Board Structure, HR Disclosure, Annual Report, Content Analysis, India*

JEL Classification: *M-14, M-41, M-48, O-15*

"*Transparency is an important component of a well-functioning system of corporate governance and corporate disclosure to stakeholders is the 'principal' means by which corporations can become transparent*" (Solomon & Solomon, 2004).

INTRODUCTION

In the present business scenario, many accounting and regulatory authorities consider corporate governance and voluntary disclosure as two inseparable instruments for the protection of investors and effective functioning of the capital market (Cadbury Committee Report, 1992; Blue Ribbon Report, 1999). According to the agency theory, firms face agency costs due to information asymmetry between managers and stakeholders. Therefore, firms are trying to reduce such costs through their monitoring activities and voluntary disclosure (Jensen & Meckling, 1976; Leftwich et al., 1981; Fama & Jensen, 1983). According to the agency theory, corporate governance and voluntary disclosure have both types of relationships – substitutes and complementary. Voluntary disclosure is not free of cost. So, companies choose to strengthen their governance mechanisms, instead of increasing the level of voluntary disclosure (Cheng & Courtenay, 2006; Divya & Garg, 2007; Cerbioni & Parbonetti, 2007; Aggarwal, 2021c).

The significance of protecting the interest of the minority cannot be understated. The dominant shareholders want to maximise their own wealth at the expense of the minority shareholders or investors, or other stakeholders, such as employees (Shleifer & Vishny, 1997; Holderness, 2003). They also misuse the opportunity to maximise their private benefits (Shleifer & Wolfenzon, 2002; Aggarwal, 2021b). Large shareholders can privately access any type of information; outside minority shareholders or the stakeholders depend on the voluntary disclosure and monitoring activities of the board of directors. So, the role of independent directors in a company is significant, to protect the interest of the investors. However, the main hindrance in effective functioning of independent directors is the presence of large controlling shareholders and strong board leaders, which may cause bias in the nomination process (Jensen, 1993; Shivdasani & Yermack, 1999; Vafeas, 1999b). Voluntary disclosure is a significant tool that reduces the information asymmetry between the various shareholders. However, voluntary disclosure is as per the will of the management (Meek et al., 1995; Healy & Palepu, 2001). So, it is vital to study which board role influences voluntary HR disclosure practices in the Indian context.

The empirical setting of the study is provided by the Indian stock market because it is less developed. Other hallmarks of the Indian context include a lack of independence by outside

* Guru Jambheshwar University of Science and Technology, Hisar, Haryana, India. Email: kirtisingl02@gmail.com

directors and a weak legal protection of small investors. So, the present study examines the linkage between board structure and human resource (HR) disclosure of listed companies in the National Stock Exchange (NSE-200 Index). A sample of 125 firms are studied from F.Y. 2012-13 to 2020-21. The data is collected from the annual reports and the Centre for Monitoring Indian Economy (CMIE) ProwessIQ database. Two-way least square dummy variable (LSDV) regression model is employed for testing the model. The outcomes revealed that board size, board meeting, company size, and total number of pages of an annual report establish a link with HR disclosure.

In India, the concept of HR disclosure has not yet received the kind of attention given to other areas of accounting research. There are different studies that deal with some aspects of HR disclosure practices, but there are very few companies that have coverage and focus on these studies. Basically, a majority of the research studies surveyed are solely questionnaire-based studies or deal with the case studies of old companies. In this era of globalisation and the emergence of knowledge-based industries, there is a need to give a fresh look at HR reporting practices in India, with an increasing emphasis on HR. Therefore, there is a gap found, both in terms of literature and research relating to HR disclosure practices, in India. So, the present study proposes to bridge the gap in the literature and research related to HR disclosure practices in India. The current study also proposes to give useful insights on HR disclosure practices in the Indian corporate sector.

LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

This section covers the review of literature and development of hypotheses on the linkage between board structure (board size, board independence, board meeting, and audit committee) and HR disclosure of the Indian listed companies.

Board Size: The effectiveness of the board is affected by its size. Generally, it is seen that a large board is less effective compared to a small board. The study by Lipton and Lorsch (1992) argued that large board size can increase the monitoring capacity, while, at the same time, leading to problems of co-ordination and slowing the decision-making process. The study by Coles et al. (2008) documented that a large size company appoints more directors for monitoring the activities of the company. Many studies (Coles et al., 2008; Di Pietra et al., 2008; Lynck, et al., 2008; Larmou & Vafeas, 2010) noted that a large board size harms the effectiveness of the board. The study by Lynck et al. (2008) argued that the size of the board depends on the cost and benefit associated with the monitoring role of the board. A large board size has more knowledge and expertise (Larmou & Vafeas, 2010) and is better able to resolve the issues of the outside shareholders. The study by Cerbioni and Parbonetti (2007), Alyousef and Alsughayer (2021), and Raimo et al. (2021) found a positive association, whereas Alshirah et al. (2020) documented an insignificant association, between board size and HR disclosure.

H_1: *There is a positive association between the board size and the level of HR disclosure in Indian listed companies.*

Board Independence: Independent directors in a board help reduce the agency costs that arise due to information asymmetry between the managers and stakeholders (Anderson & Reeb, 2004). The study by Gul and Leung (2004) found a negative association between both the variables. Some studies (Cheng & Courtenay, 2006; Lim et al., 2007; Patelli & Prencipe, 2007; Alyousef & Alsughayer, 2021; Fatma & Chouaibi, 2021; Raimo et al., 2021) noted a positive relationship between the percentage of independent directors in the board and the level of voluntary disclosure. The independent directors have an incentive to promote voluntary disclosure, due to strong board leaders, increasing their market value as decision experts, and providing a signal to the absence of collusion with controlling shareholders.

H_2: *There is a positive association between the proportion of independent directors in the board and the level of HR disclosure in Indian listed companies.*

Board Meeting: The total number of meetings conducted by board members is a variable of corporate governance (Laksmana, 2008); it indicates the effectiveness of the board and control mechanism (Vafeas, 1999a; Laksmana, 2008). The study by Laksmana (2008) documented that regular board meetings provide an opportunity to board members to share information and improve their decisions, thus increasing the firm value. However, they do not spend so much time in meetings. So, there is no significant exchange of ideas among them (Lipton & Lorsch, 1992; Vafeas, 1999a). The more meetings of board members there are, they help in effective monitoring of business activities. As a result, managers disclose a greater amount of HR information in their annual reports, and satisfy the information need of the stakeholders in an effective way. The study by Giannaraki (2014) and Raimo et al. (2021) found a positive connection, whereas Alshirah et al. (2020) noted an insignificant connection, between board meetings and voluntary disclosure.

H_3: *There is a positive association between the number of board meetings and the level of HR disclosure in Indian listed companies.*

Audit Committee: The main function of an audit committee is to ensure the quality of financial accounting and act like a control system (Collier, 1993). The audit committee helps control the internal activities of a company. Hence, the agency problem that arises between managers and shareholders is resolved. The study by Klein (1998) argued that the audit committee in a company helps in effective monitoring of the financial disclosure of a company. The agency theory also suggests that the quality of financial disclosure depends on the independent directors in the audit committee (Collier & Gregory, 1999). The study by Raimo et al. (2021) found "significant association between both the variables".

H_4: *There is a positive association between the audit committee and the level of HR disclosure in Indian listed companies.*

Table 1: Description of Explanatory Variables

Category	Measure	Description	Expression
Board Structure Variables	Board Size	Total number of directors in a board at the end of the year	BSIZE
	Board Independence	Percentage of independent directors in the board	BIND
	Board Meeting	Total number of annual meetings in a year	BM
	Audit Committee	Total number of members present in a meeting during the year	AC
Control Variable	Company Size	Net sales	NS
	Total Number of Pages of an Annual Report	Pages of an annual report	PAR
	Listing Abroad	Listing status of a company	LS
	Industry Dummy	Control industry-specific effect	
	Year Dummy	Control time-specific effect	YEAR

Source: Compiled from Literature Review.

RESEARCH METHODOLOGY

It includes sample selection, measurement of dependent, independent, and control variables, and the regression model.

Sample Selection

The sample includes all the companies listed on the NSE-200 Index. The sample did not include the banking and financial sector due to their different disclosure requirements. Further, companies whose annual reports and data on the CMIE Prowess IQ database were not available, were excluded. Hence, the final sample includes 125 companies. These are further segregated into various sectors, such as cement/construction, chemicals, conglomerates, cons non-durable, engineering, food & beverage, manufacturing, media, metals & mining, oil & gas, pharmaceuticals, retail/real estate, services, technology, telecom, tobacco, utilities, and miscellaneous. The data were collected from the annual reports and the CMIE ProwessIQ database of the sample companies.

Measurement of Dependent Variable (HRDI)

To know the level of HR disclosure, a disclosure index known as Human Resource Disclosure Index (HRDI) has been constructed. It consists of 88 items, which are further divided into nine components, such as human resource policy and vision, general information about human resource, financial information relating to human resource, importance of human resource to the organisation, human resource development, employee's health and safety, human resource relationship and culture, different benefits/assistance given to employees, and employee's engagement and empowerment. The data of HR disclosure were collected from the annual reports of the sample companies, using content analysis approach, for the time period F.Y. 2012-13 to 2020-21. In the content analysis approach, a score of 1 is assigned if an item is disclosed and 0 for non-disclosure of an item (Garg, 1992; Garg & Verma, 1994; Divya & Garg, 2007; Gakhar & Garg, 2008; Garg & Divya, 2009; Garg & Verma, 2010; Bahl & Lal, 2012; Saini & Kaur, 2012; Vijay & Sharma, 2012; Garg & Singh, 2017; Garg & Kumar, 2018; Charumathi & Ramesh, 2019; Garg & Kumar 2019a; Garg & Kumar, 2019b; Kumar & Garg, 2019; Abebe, 2020; Das & Bhattacharjee, 2020; Aggarwal, 2021a; Aggarwal, 2021b; Aggarwal, 2021c; Aggarwal, 2021d; Kaur & Kaur, 2021). The formula for calculating HRDI is as follows:

$$\mathrm{HRDI_{it}} = \frac{\text{Total score of individual company (of the } i^{th} \text{ company in year t)}}{\text{Maximum possible score obtainable (of the } i^{th} \text{ company in year t)}} \times 100$$

Where,

$\mathrm{HRDI_{it}}$ = Human resource disclosure index of the i^{th} company in year t; and

t = 1, 2, 3, …………………….. 9.

Measurement of Independent Variables

Board Size = Total number of directors in a board at the end of the year.

Board Independence = Percentage of independent directors in the board.

Board Meeting = Total number of annual meetings in a year.

Audit Committee = Total number of members present in a meeting during the year.

Measurement of Control Variables

Net Sales = Sales price ∗ no. of products sold in a specific time period.

Total Number of Pages of an Annual Report = Pages of an annual report.

Listing Abroad = America (NYSE and NASDAQ) and Europe (London and Luxembourg) – 1, Other – 0.

Industry Dummy = set of dummies taken to control sector-specific effect of the i^{th} company in year t.

Year Dummy = set of dummies taken to control time-specific effect of the i^{th} company in year t.

Regression Model

The stated model [two-way least square dummy variable (LSDV) regression model (Table 2)] is as follows:

$$HRDI_{it} = \alpha + \beta_1 \, BSIZE_{it} + \beta_2 \, BIND_{it} + \beta_3 \, BM_{it} + \beta_4 \, AC_{it} + \beta_5 \, INDUSTRY + \beta_6 \, YEAR_{it} + €_{it}$$

Where,

$HRDI_{it}$ = Human resource disclosure index of the i^{th} company in year t;

$BSIZE_{it}$ = Board size of the i^{th} company in year t;

$BIND_{it}$ = Board independence of the i^{th} company in year t;

BM_{it} = Board meeting of the i^{th} company in year t;

AC_{it} = Audit committee of the i^{th} company in year t;

$INDUSTRY_{it}$ = set of dummies taken to control sector-specific effect of the i^{th} company in year t;

$YEAR_{it}$ = set of dummies taken to control time-specific effect of the i^{th} company in year t;

α = the constant;

β = the slope of the regression equation; and

$€_{it}$ = the error term

Table 2: Test Results for Model Selection

Test Hypotheses	Tests	Test Statistics	P-Value	Conclusion
Selection between REM and Pooled Regression Model	Lagrange Multiplier (LM) test	χ^2 (01) = 1,325.47	0.000	REM model is preferred over pooled regression model
Selection between FEM and Pooled Regression Model	F-test	F (26, 1,091) = 8.47	0.000	FEM model is preferred over pooled regression model
Selection between FEM and REM Model	Hausman test	χ^2 (6) = 15.77	0.015	FEM is favoured

Source: Author's Computation.

RESULTS AND DISCUSSION

This section covers the results and discussions of the study. First, the descriptive statistics are computed to know the level of voluntary HR disclosure of the companies listed in India. Thereafter, Pearson's correlation matrix is computed to know the relationship between the dependent and independent variables. Finally, independent variables are regressed against the dependent variable to study the impact of board structure on HRDI.

Table 3: Descriptive Statistics of Variables

Variable	N	Mean	Minimum	Maximum	Std. Deviation
HRDI	1125	45.51	11.36	70.46	10.07
Board Size	1125	10.17	3.00	25.00	2.73
Board Independence	1125	52.15	0.00	100.00	11.32
Board Meeting	1125	6.33	3.00	16.00	2.19
Audit Committee	1125	4.67	2.00	15.00	1.30
Net Sales	1125	24358.10	11.89	523539.67	57206.71
Pages of an Annual Report	1125	240.96	27.00	720.00	94.87
Listing Status of a Company	1125	0.19	0.00	1.00	0.39

Note: N = 125 ∗ 9 = 1125.

Source: Author's Computation.

The outcomes of the descriptive statistics are presented in Table 3. It shows that the sample firms disclose 45.51 per cent of HR information in their annual reports. It is on the moderate side. The moderate level of HR disclosure shows that companies may be unaware regarding the importance of HR disclosure. On the other hand, they may feel hesitant to disclose the information regarding the most important assets of their organisation. However, if companies do not disclose adequate HR information in their annual report, they will not be able to receive the different benefits which are available by disclosing the HR information. Benefits may be in terms of managing the employees in an organisation, proper use of HR, attracting foreign capital, and maintaining the confidence of the stakeholders. The minimum value of HRDI is 11.36 per cent and the maximum is 70.46 per cent, with a standard deviation of 10.07 per cent. Further, the minimum number of members in a board is three and the maximum is 25, with a mean value of 10.17. On an average, more than 50 per cent of the board members are independent. The minimum number of meetings conducted by the board members is three and the maximum is 16. The minimum number of pages in an annual report is 27 and the maximum is 720, with a mean value of 240.96. Table 4 presents the outcomes of Pearson's correlation matrix. It shows that there is a significant positive correlation of board size (p-value = 0.000), board meeting (p-value = 0.000), audit committee (p-value = 0.000), net sales (p-value = 0.000), pages of an annual report (p-value = 0.000), and listing status of a company (p-value = 0.009), and a significant negative correlation of board independence (p-value = 0.000), with the level of HR disclosure of sample firms at 1 per cent level of significance.

Table 4: Correlation Matrix of Variables

Variable	HRDI	Board Size	Board Independence	Board Meeting	Audit Committee	Net Sales	Pages of an Annual Report	Listing Status of a Company
HRDI	1							
Board Size	0.255^{**} (0.000)	1						
Board Independence	-0.106^{**} (0.000)	-0.158^{**} (0.000)	1					
Board Meeting	0.215^{**} (0.000)	0.127^{**} (0.000)	-0.237^{**} (0.000)	1				
Audit Committee	0.143^{**} (0.000)	0.260^{**} (0.000)	-0.085^{**} (0.004)	0.147^{**} (0.000)	1			
Net Sales	0.304^{**} (0.000)	0.116^{**} (0.000)	-0.072^{*} (0.016)	0.293^{**} (0.000)	0.033 (0.272)	1		
Pages of an Annual Report	0.603^{**} (0.000)	0.325^{**} (0.000)	-0.102^{**} (0.001)	0.278^{**} (0.000)	0.192^{**} (0.000)	0.231^{**} (0.000)	1	
Listing Status of a Company	0.078^{**} (0.009)	0.080^{**} (0.007)	0.111^{**} (0.000)	0.066^{*} (0.027)	0.005 (0.873)	0.123^{**} (0.000)	0.132^{**} (0.000)	1

Note: *Correlation is significant at the 0.05 level (2-tailed) and **Correlation is significant at the 0.01 level (2-tailed).
Source: Author's Computation.

Table 5: Multicollinearity Statistics of Independent Variables

Variable	Collinearity Statistics	
	Tolerance	VIF
Board Size	0.697	1.435
Board Independence	0.791	1.265
Board Meeting	0.672	1.487
Audit Committee	0.858	1.165
Net Sales	0.576	1.737
Pages of an Annual Report	0.488	2.049
Listing Status of a Company	0.813	1.230

Note: VIF – Variance Inflation Factor.
Source: Author's Computation.

To examine the problem of multicollinearity, VIF and tolerance statistics have been used (Table 5). Multicollinearity generally occurs when there are high correlations between two or more predictor variables. In other words, one predictor variable can be used to predict the other. This creates redundant information, skewing the results in a regression model (Vogt, 2005). When the value of VIF exceeds ten and the tolerance value is less than 0.10 (Field, 2013), it represents a problem of multicollinearity. As depicted in Table 5, the model is not showing a problem of multicollinearity. The outcomes of the Breusch-Pagan test for heteroscedasticity is shown in Table 6. Heteroscedasticity refers to "the non-constant error variance, or the idea that, once the predictors have been included in the regression model, the remaining residual variability changes as a function of something that is not in the model" (Fox, 1997). The results show that the significant value of chi-square is more than 5 per cent level of significance. This means the data is homoscedastic.

Table 6: Breusch-Pagan Test for Heteroscedasticity

Chi-Square	0.017
P-value	0.612

Source: Author's Computation.

Table 7: Results of Two-Way Least Square Dummy Variable (LSDV) Regression Model

Variable	Coefficients	Std. Error	T-Statistics	Sig.	Confidence-Interval
Board Size	0.159	−0.095	1.682	0.093	−0.0265 – 0.345
Board Independence	−0.023	−0.021	−1.061	0.289	−0.0648 – 0.0193
Board Meeting	0.243	−0.120	2.020	0.044	0.00691 – 0.479
Audit Committee	0.118	−0.180	0.655	0.513	−0.235 – 0.47
Net Sales	0.000	0.000	8.220	0.000	3.11e−05 – 5.06e−05
Pages of an Annual Report	0.037	−0.003	11.370	0.000	0.0306 – 0.0434
Listing Status of a Company	0.750	−0.612	1.226	0.221	−0.451 – 1.951
Industry Dummy					
Cement/Construction	−2.582	−1.877	−1.376	0.169	−6.264 – 1.1
Chemicals	−2.251	−1.176	−1.913	0.056	−4.559 – 0.0577
Conglomerates	−7.914	−1.889	−4.189	0.000	−11.62 – −4.207
Cons Non-Durable	2.060	−1.177	1.750	0.080	−0.25 – 4.37
Engineering	0.523	−1.075	0.487	0.627	−1.586 – 2.631
Food & Beverage	2.378	−1.417	1.679	0.093	−0.401 – 5.158
Manufacturing	−1.209	−1.335	−0.906	0.365	−3.83 – 1.411
Media	−2.267	−1.461	−1.551	0.121	−5.135 – 0.6
Metals & Mining	−1.068	−1.114	−0.959	0.338	−3.253 – 1.118
Oil & Gas	−4.158	−1.232	−3.376	0.001	−6.576 – −1.741
Pharmaceuticals	−0.631	−0.944	−0.669	0.504	−2.483 – 1.22
Retail/Real Estate	−2.067	−1.428	−1.447	0.148	−4.87 – 0.736
Services	−8.206	−1.324	−6.197	0.000	−10.8 – −5.608
Technology	1.858	−1.190	1.561	0.119	−0.477 – 4.193
Telecom	0.424	−1.323	0.320	0.749	−2.173 – 3.021
Tobacco	2.494	−2.583	0.965	0.335	−2.574 – 7.562
Utilities	−3.162	−1.138	−2.778	0.006	−5.396 – −0.928
Miscellaneous	−0.210	−1.318	−0.160	0.873	−2.796 – 2.375
Year Dummy					
2013-14	2.244	−0.917	2.446	0.015	0.444 – 4.043
2014-15	4.042	−0.928	4.354	0.000	2.220 – 5.863
2015-16	5.566	−0.934	5.960	0.000	3.734 – 7.399
2016-17	5.151	−0.985	5.227	0.000	3.217 – 7.084
2017-18	7.184	−0.976	7.358	0.000	5.268 – 9.100
2018-19	6.907	−1.007	6.862	0.000	4.932 – 8.881
2019-20	8.940	−1.012	8.838	0.000	6.955 – 10.93
2020-21	8.824	−1.024	8.615	0.000	6.814 – 10.83
Constant	28.710	−1.987	14.450	0.000	24.81 – 32.60
Observations	1,125				
Adjusted R-Square	0.483				

Source: Author's Computation.

Table 7 presents the outcome of the two-way least square dummy variable (LSDV) regression model. It shows that the selected independent variables explain 48.3 per cent variation in the dependent variable.

Board Size: It has a significant (p-value = 0.093) and positive effect on HR disclosure of the Indian listed companies. Hence, the first hypothesis (H_1: There is a positive association between the board size and the level of HR disclosure in Indian listed companies) has been accepted. A large board size discloses more HR information because they have more knowledge and expertise (Larmou & Vafeas, 2010), and are better able to resolve the issue of the outside shareholders.

Board Independence: It has an insignificant (p-value = 0.289) and negative effect on HR disclosure of the Indian listed companies. Thus, the second hypothesis (H_2: There is a positive association between the proportion of independent directors in the board and the level of HR disclosure in Indian listed companies) has been rejected. Overall, it can be said that more independent directors in a board results in less HR disclosure in the annual reports of the firms.

Board Meeting: It has a significant (p-value = 0.044) and positive effect on HR disclosure of the Indian listed companies. Hence, the third hypothesis (H_3: There is a positive association between the number of board meetings and the level of HR disclosure in Indian listed companies) has been accepted. The more meetings among the board members, the more they are able to help in the effective monitoring of business activities. As a result, managers disclose a greater amount of HR information in their annual reports and satisfy the information need of the stakeholders in an effective way.

Audit Committee: It has an insignificant (p-value = 0.513) but positive effect on HR disclosure of the Indian listed companies. Thus, the fourth hypothesis (H_4: There is a positive association between the audit committee and the level of HR disclosure in Indian listed companies) has been rejected. The agency theory suggests that the quality of financial disclosure depends on the independent directors in the audit committee (Collier & Gregory, 1999). The study by Klein (1998) argued that the audit committee in a company helps in effectively monitoring the financial disclosure of a company.

Further, out of the selected control variables, net sales and pages of an annual report have a significant (p-value = 0.000 and 0.000, respectively) positive effect on HR disclosure of the sample companies. Conversely, the listing status of a company has an insignificant (p-value = 0.221) but positive effect on HRDI of the selected Indian listed companies.

CONCLUSION AND IMPLICATIONS OF THE STUDY

The study examines the linkage between board structure and human resource (HR) disclosure of listed companies in the NSE-200 Index. A sample of 125 firms are studied from F.Y. 2012-13 to 2020-21. The data is collected from the annual reports and the CMIE ProwessIQ database. Two-way least square dummy variable (LSDV) regression model is employed for testing the model. The outcomes revealed that the board size, board meeting, company size, and total number of pages in an annual report establish the link with HR disclosure. The outcomes of descriptive statistics depicted that sample firms disclose 45.51 per cent of HR information in their annual reports. It is on the moderate side. The outcomes of Pearson's correlation matrix show that there is a significant positive correlation of board size, board meeting, audit committee, net sales, pages of an annual report, and listing status of a company, and a significant negative correlation of board independence, with the level of HR disclosure of sample firms at 1 per cent level of significance.

The present study has different implications. *Firstly*, it provides information regarding the extent to which Indian listed companies take HR disclosure practices seriously. *Secondly*, the study adds to the existing body of knowledge on the effect of board structure on the level of HR disclosure, and it provides information on whether HR disclosure is a matter of concern for the Indian listed companies. *Third*, the study provides feedback to the different regulatory bodies, such as the Institute of Chartered Accountants of India (ICAI), about the adequacy of the current guidelines on HR disclosure for Indian corporates. *Finally*, the findings could be useful to directors, because their ability to make sound decisions at board meetings is being evaluated indirectly. In general, this research suggests a direction for directors who want to improve the consistency and integrity of the disclosure of the most important asset of their organisation, i.e., human resource.

REFERENCES

Abebe, M. G. (2020). Corporate social responsibility and financial performance: Evidence from the Ethiopian leather industry. *Journal of Commerce & Accounting Research*, *9*(1), 50-66.

Aggarwal, K. (2021a). Relationship between company characteristics and HR disclosure level: Evidences from Indian public sector companies. *Management and Labour Studies*, *46*(4), 399-421.

Aggarwal, K. (2021b). The impact of company characteristics on human resource disclosure index: A study on service sector companies in India. *FIIB Business Review*. doi:https://doi.org/10.1177/23197145211010871

Aggarwal, K. (2021c). Does ownership structure affect HR disclosure practices? Evidence from India. *The IUP Journal of Applied Finance*, *27*(3), 55-72.

Aggarwal, K. (2021d). Human resource disclosure practices in Indian corporate sector. *Journal of Commerce & Accounting Research*, *10*(4), 76-83.

Alshirah, M. H., Rahman, A. A., & Mustapa, I. R. (2020). Board of directors' characteristics and corporate risk disclosure: The moderating role of family ownership. *EuroMed Journal of Business*, *15*(2), 219-252.

Alyousef, L., & Alsughayer, S. (2021). The relationship between corporate governance and voluntary disclosure: The role of boards of directors and audit committees. *Universal Journal of Accounting and Finance*, *9,* 678-692.

Anderson, R. C., & Reeb, D. M. (2004). Board composition: Balancing family influence in S&P 500 firms. *Administrative Science Quarterly*, *49*(2), 209-237.

Bahl, P., & Lal, J. (2012). Study of relationship between corporate web disclosure and selected company characteristics. *Journal of Commerce & Accounting Research*, *1*(1), 37-44.

Blue Ribbon Report. (1999). *Report and recommendations of the blue ribbon committee on improving the effectiveness of corporate audit committees*. New York: New York Stock Exchange and the National Association of Securities Dealers.

Cadbury Committee Report. (1992). *Report of the Cadbury committee on the financial aspects of corporate governance.* London: Gee.

Cerbioni, F., & Parbonetti, A. (2007). Exploring the effects of corporate governance on intellectual capital disclosure: An analysis of European biotechnology companies. *European Accounting Review*, *16*(4), 791-826.

Charumathi, B., & Ramesh, L. (2019). Human and intellectual disclosure practices of Indian companies a longitudinal study. *Journal of Commerce & Accounting Research*, *8*(3), 9-17.

Cheng, E. C. M., & Courtenay, S. M. (2006). Board composition, regulatory regime and voluntary disclosure. *The International Journal of Accounting*, *41*(3), 262-289.

Coles, J. L., Daniel, N. D., & Naveen, L. (2008). Boards: Does one size fit at all? *Journal of Financial Economics*, *87*(2), 329-356.

Collier, P. (1993). Factors affecting the formation of audit committees in major UK listed companies. *Accounting and Business Research*, *23*(91), 421-430.

Collier, P., & Gregory, A. (1999). Audit committee activity and agency costs. *Journal of Accounting and Public Policy*, *18*(4-5), 311-332.

Das, J., & Bhattacharjee, A. (2020). Environmental reporting – An evaluation of the sustainability performance of BHEL. *Journal of Commerce & Accounting Research*, *9*(1), 6-12.

Di Pietra, R., Grambovas, C., Raonic, I., & Riccaboni, A. (2008). The effects of board size and "busy" directors on the market value of Italian firms. *Journal of Management and Governance*, *12*(1), 73-91.

Divya, & Garg, M. C. (2007). Internet banking practices in India – Emerging issues. *Business Vision*, *3*(1), 85-101.

Fama, E., & Jensen, M. (1983). Separation of ownership and control. *Journal of Law and Economics*, *26*(2), 301-325.

Fatma, H. B., & Chouaibi, J. (2021). Corporate governance and CSR disclosure: Evidence from European financial institutions. *International Journal of Disclosure and Governance*, 1-16.

Gakhar, D. V., & Garg, M. C. (2008). Web-based corporate reporting practices: A survey. *The ICFAI University Journal of Accounting Research*, *7*(3), 43-58.

Garg, M. C. (1992). *Recent trends in accounting with particular reference to reporting standards in the corporate sector in India* (Unpublished Doctoral Thesis, Maharshi Dayanand University, Rohtak).

Garg, M. C., & Divya. (2009). Accounting standard disclosure compliance in online reporting by Indian companies. *Asia-Pacific Business Review*, *5*(2), 141-153.

Garg, M. C., & Kumar, S. (2018). The relationship between corporate environmental reporting practices and company characteristics: Evidence from India. *The IUP Journal of Accounting Research and Audit Practices*, *17*(3), 24-38.

Garg, M. C., & Kumar, S. (2019a). Social reporting practices in Indian corporate sector. *The Management Accountant*, *54*(8), 77-85.

Garg, M. C., & Kumar, S. (2019b). The relationship between human resource disclosure and company characteristics: A study on Indian companies. *IUP Journal of Applied Finance*, *25*(4), 28-47.

Garg, M. C., & Singh, D. (2017). Corporate governance and firm performance in Indian companies. *International Journal of Indian Culture and Business Management*, *15*(4), 420-444.

Garg, M. C., & Verma, D. (2010). Web-based corporate reporting practices in India. *The IUP Journal of Accounting Research and Audit Practices*, *9*(3), 7-19.

Garg, M. C., & Verma, H. L. (1994). Corporate sector – Disclosure of accounting policies. *The Chartered Accountant*, 765-768.

Giannarakis G. (2014). Corporate governance and financial characteristic effects on the extent of corporate social responsibility disclosure. *Social Responsibility Journal*, *10*(4), 569-590.

Gul, F. A., & Leung, S. (2004). Board leadership, outside directors' expertise and voluntary corporate disclosures. *Journal of Accounting and Public Policy*, *23*(5), 351-379.

Healy, P. M., & Palepu, K. G. (2001). Information asymmetry, corporate disclosure, and the capital markets: A review of the empirical disclosure literature. *Journal of Accounting and Economics*, *31*(1-3), 405-440.

Holderness, C. G. (2003). A survey of blockholders and corporate control. *Economic Policy Review*, *9*(1), 51-64.

Jensen, M. C. (1993). The modern industrial revolution, exit, and the failure of internal control systems. *The Journal of Finance*, *48*(3), 831-880.

Jensen, M. C., & Meckling, W. H. (1976). Theory of firm: Managerial behaviour, agency costs and ownership structure. *Journal of Financial Economics*, *3*(4), 305-360.

Kaur, M., & Kaur, M. (2021). Relationship between bank-specific attributes and web-based disclosures – The case of India. *Journal of Commerce & Accounting Research*, *10*(2), 53-63.

Klein, A. (1998). Firm performance and board committee structure. *Journal of Law and Economic*, *41*(1), 275-304.

Kumar, S. P., & Garg, M. C. (2019). Relationship between corporate social reporting (CSR) practices and company characteristics in Indian companies. *Finance India*, *33*(4), 1001-1014.

Laksmana, I. (2008). Corporate board governance and voluntary disclosure of executive compensation practices. *Contemporary Accounting Research*, *25*(4), 1147-1182.

Larmou, S., & Vafeas, N. (2010). The relation between board size and firm performance in firms with a history of poor operating performance. *Journal of Management and Governance*, *14*(1), 61-85.

Leftwich, R. W., Watts, R. L., & Zimmerman, J. L. (1981). Voluntary corporate disclosure: The case of interim reporting. *Journal of Accounting Research*, *19,* 50-77.

Lim, S., Matolcsy, Z., & Chow, D. (2007). The association between board composition and different types of voluntary disclosure. *European Accounting Review*, *16*(3), 555-583.

Lipton, M., & Lorsch, J. W. (1992). A model proposal for improved corporate governance. *Business Lawyer*, *48*(1), 59-77.

Lynck, J. S., Netter, J. M., & Yang, T. (2008). The determinants of board structure. *Journal of Financial Economics*, *87*(2), 308-328.

Meek, G. K., Roberts, C. B., & Gray, S. J. (1995). Factors influencing voluntary annual report disclosures by US and UK and continental European multinational corporations. *Journal of International Business Studies*, *26*(3), 555-572.

Patelli, L., & Prencipe, A. (2007). The relationship between voluntary disclosure and independent directors in the presence of a dominant shareholder. *European Accounting Review*, *16*(1), 5-33.

Raimo, N., Vitolla, F., Marrone, A., & Rubino, M. (2021). Do audit committee attributes influence integrated reporting quality? An agency theory viewpoint. *Business Strategy and the Environment, 30*(1), 522-534.

Saini, B. S., & Kaur, K. (2012). Corporate web reporting in current scenario. *Journal of Commerce & Accounting Research*, *1*(1), 1-10.

Shivdasani, A., & Yermack, D. (1999). CEO involvement in the selection of new board members: An empirical analysis. *Journal of Finance*, *54*(5), 1829-1853.

Shleifer, A., & Vishny, R. W. (1997). A survey of corporate governance. *The Journal of Finance*, *52*(2), 737-783.

Shleifer, A., & Wolfenzon, D. (2002). Investor protection and equity market. *Journal of Financial Economics*, *66*(1), 3-27.

Solomon, J., & Solomon, A. (2004). *The role of transparency in corporate governance. Corporate governance and accountability* (pp. 119-143). England: John Wiley & Sons, Ltd.

Vafeas, N. (1999a). The nature of board nominating committees and their role in corporate governance. *Journal of Business Finance and Accounting*, *26*(1), 199-225.

Vafeas, N. (1999b). Board meeting frequency and firm performance. *Journal of Financial Economics*, *53*(1), 113-142.

Vijay, T. S., & Sharma, M. (2012). Corporate governance mechanisms and firm performance: A study of Indian firms. *Journal of Commerce & Accounting Research, 1*(1), 11-17.