

## **Impact of Corporate Governance on Corporate Social Responsibility Disclosure: Empirical Evidence from Listed Companies of Sri Lanka**

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Corporate Social Responsibility (CSR) and Corporate Governance (CG) being the two folds of the same coin, conceding the good practices undertaken on the good CG becomes the critical feature of CSR. Hence, it is more likely that the companies engage in extensive CSR activities to disclose the same, indicating socially responsible behavior. Accordingly, this paper aims to examine the impact of corporate governance on the corporate social responsibility disclosure of Sri Lankan listed companies.

The STATA software was applied to investigate the impact of CG on CSR disclosure of 30 high market capitalized listed companies in the Colombo Stock Exchange (CSE) from 2016 to 2018. CSR Disclosure Index (CSRDI) was applied to measure the CSR reporting. The board size, independent directors, women directors, foreign ownership, and CEO duality were considered the proxies for CG with two control variables: Company Size and Profitability. Higher t-values for foreign directors and company size indicate a significant influence on CSR reporting. Regression results prove that the foreign directors positively affect the CSR disclosure, while the board size, women directors negatively affect the CSR disclosure. The independent directors show no significant impact on CSR disclosure.

In line with the findings, it is concluded that compliance with corporate governance best practices directly impacts the company's performance. This study provides empirical support for agency theory and legitimacy theory perspectives in developing economies.

**Keywords:** *Agency theory, Corporate governance, Corporate Social Responsibility disclosure, Legitimacy theory*

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