

Impact of Board Size and Independent Directors on Sustainability Reporting in Japan

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The purpose of this study is to investigate the impact of board size and independent directors on sustainability reporting in Japan. Using a database of Japanese listed corporations over 2011 and 2015, this study shows that board size has a significant effect on sustainability reporting, confirming the advisory function of boards. Also, this study finds that independent directors which are stakeholder-oriented practices in Japanese firms have a significant positive effect on sustainability reporting. The study results offer an insight that independent directors could be evaluated in terms of effectiveness and efficiency in sustainability reporting. The control variables, such as board member meeting frequency and leverage, are also found to have a significant effect on sustainability reporting. This research contributes to the existing literature by presenting a pioneering examination on the influence of board size and independent directors on sustainability reporting of Japanese globalized companies, supporting the stakeholder theory, and highlighting the importance of board size and independent directors that have impacts on decisions related to the increased reporting of sustainability developments.

Keywords: *Board Size, Independent Directors, Japan, Stakeholder Theory, Sustainability Reporting*