The Impact of Corporate Governance on Disclosure
in Korean Companies

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This study examines the relationship between board composition and corporate disclosure practices for 1463 listed firms-years between the years 2000 and 2003 in Korea. Board composition is defined as the proportion of outside directors on the corporate boards. The type and frequency of timely disclosure is used as a measure of the effectiveness of corporate governance during a period of substantial corporate governance regulatory changes, following some high profile management misconduct and corporate collapses. We find a significant positive relationship between the higher proportion of outside directors on the corporate boards and the level of bad news disclosure and a negative relationship with the level of Unfaithful disclosure.

Keywords: Corporate Governance, Board of directors, Timely Disclosure, Bad News Disclosure, Unfaithful Disclosure