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DO BOARD SIZE AND FIRM SIZE AFFECT ENVIRONMENTAL ACCOUNTING DISCLOSURE? EVIDENCE FROM SELECTED LISTED FIRMS IN KENYA

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Abstract

The purpose of this study was to examine the effect of board size and firm size on environmental accounting disclosure in the Nairobi Securities Exchange, Kenya. The study's specific objectives were to determine the effect of board size and firm size on environmental accounting disclosure. The study was guided by the stakeholder's theory and longitudinal research design was adopted. The study targeted 27 selected listed firms from 2008 to 2017. The findings showed that board size had significant and negative impact on environmental accounting disclosure (β= -0.328, p-value = 0.001<0.05), while firm size had significant and positive impact on environmental accounting disclosure (β= 1.164, p-value = 0.000<0.05). This implies that firms with larger boards are less likely to disclose environmental accounting information while large firms have high reporting on environmental information. The study recommends that firms listed in the Nairobi Securities Exchange ought to decrease board size while improving on assets so as to increase the level of environmental accounting disclosure in Kenyan firms.

Keywords; Board Size, Firm Size, Environmental Accounting Disclosure, and Stakeholders Theory.