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ECONOMIC DETERMINANTS OF EMPLOYEE BENEFITS DISCLOSURE: EVIDENCE FROM COMPANIES LISTED ON B3'S NOVO MERCADO

DETERMINANTES ECONÔMICOS DA DIVULGAÇÃO DE BENEFÍCIOS A EMPREGADOS: EVIDÊNCIAS DE EMPRESAS DO NOVO MERCADO DA B3

DETERMINANTES ECONÓMICOS DE LA DIVULGACIÓN DE BENEFICIOS A LOS EMPLEADOS: EVIDENCIA DE EMPRESAS DEL NOVO MERCADO DE B3

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ABSTRACT

This study aims to analyze the association between economic determinants and the degree of accounting transparency related to the disclosure of employee benefits, as required by IAS 19 – Employee Benefits. This descriptive, documentary, and quantitative study is based on a content analysis of the explanatory notes of 110 companies listed on B3's Novo Mercado, covering the period 2020–2024. A multiple linear regression was applied to assess the relationship between economic variables (size, profitability, profit, and leverage) and the level of disclosure. Results indicate no statistically significant association between the analyzed determinants and compliance with IAS 19, suggesting that adherence to disclosure requirements is not driven solely by economic factors. The study concludes that disclosure of information on employee benefits is influenced by discretionary and institutional aspects, confirming the assumptions of the Discretionary Disclosure Theory and emphasizing the role of corporate governance and regulatory enforcement in promoting accounting transparency.

Keywords: Financial Disclosure. Employee Benefits. IAS 19. Economic Determinants. Corporate Governance.

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RESUMO

O estudo tem como objetivo analisar a associação entre determinantes econômicos e o grau de transparência contábil relacionado à divulgação dos benefícios a empregados exigida pela norma internacional IAS 19 – Employee Benefits. A pesquisa caracteriza-se como descritiva, documental e quantitativa, com base na análise de conteúdo das notas explicativas das demonstrações financeiras de 110 empresas listadas no Novo Mercado da B3, referentes ao período de 2020 a 2024. Para avaliar a relação entre as variáveis econômicas (tamanho, rentabilidade, lucro e endividamento) e o nível de disclosure, aplicou-se regressão linear múltipla. Os resultados indicaram ausência de associação estatisticamente significativa entre os determinantes analisados e o grau de cumprimento da IAS 193, evidenciando que o atendimento às exigências normativas não depende exclusivamente de fatores econômicos. Conclui-se que a divulgação de informações sobre benefícios a empregados é influenciada por aspectos discricionários e institucionais, confirmando os pressupostos da Teoria do Disclosure Discricionário e reforçando a importância da governança corporativa e do enforcement regulatório para a transparência contábil.

Palavras-chave: Disclosure Contábil; Benefícios a Empregados; IAS 19; Determinantes Econômicos; Governança Corporativa.

RESUMEN

El objetivo de este estudio es analizar la asociación entre los determinantes económicos y el grado de transparencia contable en la divulgación de beneficios a los empleados, conforme la norma internacional IAS 19 – Beneficios a los Empleados. La investigación es de carácter descriptivo, documental y cuantitativo, basada en el análisis de contenido de las notas explicativas de 110 empresas cotizadas en el Novo Mercado de B3, correspondientes al período 2020–2024. Se aplicó una regresión lineal múltiple para evaluar la relación entre las variables económicas (tamaño, rentabilidad, beneficio y endeudamiento) y el nivel de divulgación. Los resultados muestran ausencia de asociación estadísticamente significativa entre los determinantes analizados y el cumplimiento del IAS 19, lo que indica que el grado de transparencia no depende exclusivamente de factores económicos. Se concluye que la divulgación de información sobre beneficios a los empleados está influenciada por aspectos discrecionales e institucionales, confirmando los supuestos de la Teoría del Disclosure Discrecional y destacando la importancia de la gobernanza corporativa y la fiscalización regulatoria para la transparencia contable.

Palabras clave: Divulgación Financiera; Beneficios a los Empleados; IAS 19; Determinantes Económicos; Gobernanza Corporativa.

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INTRODUCTION

Discretionary Disclosure Theory posits that presenting accounting information is an endogenous process, allowing for the examination of the incentives that lead managers to determine the level of disclosure (Al-Hadi, Hasan, Taylor & Zhao, 2021). Thus, this theory analyzes the circumstances under which firms are willing to disclose information to all stakeholders.

Disclosure aligns with Accounting objectives by providing tailored information to various types of users" (Iudícibus, 2004, p. 123). Among the many pieces of information that can and should be provided to users are those concerning employee benefits. Miranda, Tomé, and Gallon (2011) argue that the disclosure of the various forms of employee incentives must be transparent so as to allow external users of financial statements in general—given their differing purposes and needs—and, especially in this case, investors, to understand them. Investors may foresee future economic returns due to the likely commitment of individuals to companies that use this mechanism as a motivator and diffuser of organizational guidelines.

When employee benefits are considered of IAS 19 to the national context of the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB). The purpose of this standard is to establish the accounting and disclosure of benefits granted to employees (IAS 19). In their study on the disclosure of variable compensation among the best companies to work for listed on B3, Miranda, Tomé, and Gallon (2011) observed that some information required under IAS 19 was not disclosed. Studies have found that several Brazilian firms have not been fully disclosing the information required in the documents issued by the IAS and approved by the Securities and Exchange Commission of Brazil (CVM) (Mapurunga *et al.*, 2011; Maia & Formigoni, 2011; Meneses, Ponte & Mapurunga, 2014).

Gibbons (2023) states that even when disclosure is mandatory, firms may act according to their discretionary power in communicating information. These researchers assume as a hypothesis that not all companies comply with the disclosure guidelines established in the standard. According to Dye (2001), from the perspective of economic rationality, Discretionary Disclosure Theory serves as a facilitator for identifying circumstances in which managers are willing to disclose certain information.

From the perspective of Discretionary Disclosure Theory, within the line of judgment-based disclosure research, the low level of enforcement in the country means that legal application is not robust. As a result, organizations use discretion in disclosing mandatory information (Welker, 1995). Bova and Pereira (2010) state that, beyond the limited enforcement of certain countries regarding adherence to international standards, the associated costs of compliance must also be considered—particularly for firms for which such compliance would have a greater impact—which, despite the obligation, may lead to lower levels of conformity.

Thus, certain determinants may be associated with companies' decisions regarding the disclosure of required information. Supporting this assertion, Mapurunga *et al*. (2011) found an association between the disclosure of information required in IAS 39 (Financial Instruments: Recognition, Measurement, and Disclosure) and the economic characteristics of Brazilian publicly traded companies. The results indicated that the attributes "size" and "profit" are positively associated with the disclosure of information on derivative financial instruments, whereas no significant association was found between the attributes "leverage" and "profitability" and the disclosure of information on derivative financial instruments.

Similarly, studies by Costa, Yamamoto and Theóphilo (2011), Ponte and Mapurunga (2014), Fonteles *et al*. (2012), Souza and Dalfior (2013), Meneses *et al*. (2013), and Schvirck *et al*. (2013) used IAS documents as the basis for analysis, finding that, despite the mandatory nature of disclosure, it was influenced by the companies' economic and financial characteristics. Among the economic variables addressed in these studies, the most notable were "size," "profit," "profitability," "performance," "cost of capital," "leverage," and "corporate governance."

It was within these circumstances that this research sought to analyze the determinants of IAS 19 disclosure. In light of this context, the topic requires further investigation, which served as support for developing the following research question: What association exists between the level of compliance with disclosure practices relating to employee benefits and the incentives arising from the economic characteristics of Brazilian firms listed on B3's Novo Mercado?

The general objective of the study is to analyze the disclosure of IAS 19 (Employee Benefits), considering the variables size, profitability, profit, and leverage as its probable determinants among firms listed on B3's Novo Mercado. The theoretical foundation of this research is Discretionary Disclosure Theory. Secondarily, the following specific objectives were developed: (a) to examine the explanatory notes disclosed in order to identify information provided regarding employee benefits, using the Disclosure Index developed by Miranda, Tomé, and Gallon (2011); and (b) to verify the association between the level of disclosure and economic characteristics such as size, profitability, profit, and leverage, as used in prior studies.

This study is justified insofar as it aims to deepen the discussion of this relatively recent and significant topic in the field of Accounting for external users. The intention is to contribute to the expansion of discussion on the subject by examining the level of compliance with disclosure practices regarding employee benefits in a period subsequent to existing studies, enabling comparison of the evolutionary degree of adherence to the standard, and by assessing the potential association between compliance with mandatory disclosure requirements for employee benefits, as prescribed by IAS 19, and company characteristics.

It is worth noting that this topic is particularly relevant in the current Brazilian context, as the country's accounting standards converge toward the International Financial Reporting Standards. In this regard, this study differs from those previously referenced by focusing on firms' economic characteristics associated with their disclosure through the explanatory notes to their financial statements.

LITERATURE REVIEW

Disclosure Discretionary Theory

Discretionary Disclosure Theory constitutes the main theoretical framework for understanding firms' incentives and decisions regarding the disclosure of accounting information. This theory assumes that the disclosure process is endogenous and conditioned by economic, regulatory, and managerial factors, in which managers evaluate the costs and benefits of making certain information public (Verrecchia, 2001; Dye, 2001).

According to the Financial Accounting Standards Board – FASB (2008), the essential function of disclosure is to increase the usefulness of financial statements by providing users with additional information that supports more rational economic decisions. Thus, accounting disclosure acts as a mechanism for reducing informational asymmetry between managers and investors, reinforcing both the relevance and the reliability of reported information.

The term *disclosure*, derived from the English verb *to disclose* (to reveal or make public), is associated with the concept of corporate transparency and refers to the set of information made available by companies either voluntarily or mandatorily. In the accounting context, disclosure involves not only the act of reporting but also the degree of clarity, completeness, and timeliness of the financial information presented to external users (Murcia & Santos, 2009; Bushman, Piotroski & Smith, 2004; Healy & Palepu, 2001).

According to Verrecchia (2001), studies on disclosure in Accounting are divided into three strands: (a) association-based, which investigates the effects of disclosure on market participants' behavior; (b) discretionary-based, which examines the incentives and motivations behind disclosure; and (c) efficiency-based, which seeks to understand the optimal level of disclosure.

This research falls within the second strand (discretionary-based disclosure), as it analyzes the economic determinants that influence the degree of transparency companies provide in meeting the requirements of IAS 19, issued by the International Accounting Standards Board – IASB (2013).

Discretionary Disclosure Theory posits that the decision to disclose financial information results from the interaction between economic incentives (such as profitability, size, and leverage) and disclosure costs, including possible competitive or reputational effects. Thus, even in regulatory environments where disclosure is mandatory, as in the case of IAS 19, managers still exercise a degree of judgment over the depth, clarity, and manner in which information is presented (Salotti & Yamamoto, 2006; Bova & Pereira, 2012).

In countries with low regulatory enforcement, such as Brazil, the effectiveness of accounting disclosure standards depends not only on formal requirements but also on companies' voluntary willingness to adopt enhanced transparency practices (Welker, 1995; Bushman & Piotroski, 2006). Consequently, even in mandatory disclosure contexts, discretionary elements persist, reflecting the quality of corporate governance, political costs, and the economic environment in which companies operate.

In summary, Discretionary Disclosure Theory holds that accounting disclosure results from a selective and strategic decision-making process shaped by internal and external factors. This theoretical foundation supports the analysis proposed in this study, which investigates whether economic characteristics such as size, profitability, profit, and leverage influence the level of compliance with IAS 19 disclosure requirements.

Employee Benefits

International Accounting Standard 19 (IAS 19) – *Employee Benefits*, published by the International Accounting Standards Board (IASB, 2021), aims to establish criteria for the recognition, measurement, and disclosure of obligations and expenses related to benefits granted to employees.

According to IAS 19, employee benefits encompass all forms of remuneration granted by an entity in exchange for services provided, including amounts paid during employment and after termination. The standard classifies these benefits into four main categories:

i) **Short-term benefits** – salaries, social security contributions, profit-sharing payments, and bonuses;

ii) **Post-employment benefits** – pension and retirement plans, post-employment life insurance, and medical care;

iii) **Other long-term benefits** – sabbatical leave, long-service bonuses, and long-term awards;

iv) **Termination benefits** – compensation provided upon employee dismissal before normal retirement age.

Companies must transparently disclose information regarding actuarial policies, measurement assumptions, recognized amounts, and the nature of benefit plans, allowing users to understand their financial impact on the statements.

The standard also distinguishes between defined contribution (DC) and defined benefit (DB) plans. In DC plans, the entity's obligation is limited to contractually established contributions, with no additional liabilities to recognize. In DB plans, the entity commits actuarially to future benefit payments and must recognize the corresponding liability and disclose the assumptions used to calculate actuarial values.

Proper application of IAS 19 requires technical judgment and compliance with international standards, as measuring actuarial obligations involves complex estimates related to life expectancy, discount rates, salary growth, and employee turnover. As highlighted by Ernst & Young Terco (2012) and Fipecafi (2010), the need to estimate future variables makes the disclosure process highly dependent on managerial judgment and the quality of available information.

Despite being a mandatory disclosure standard, IAS 19 still contains discretionary elements that reflect companies' ability to report information with greater or lesser transparency. This characteristic aligns the standard with the assumptions of Discretionary Disclosure Theory, which holds that disclosure decisions depend not only on normative requirements but also on internal factors such as governance structure, economic incentives, and perceptions of the costs and benefits associated with transparency (Bova & Pereira, 2012; Verrecchia, 2001).

Compliance with IAS 19 disclosure requirements may vary significantly across companies, even within a uniform regulatory environment. This variation arises from economic, cultural, and institutional factors, as well as firms' commitment to corporate governance and accountability practices.

Thus, analyzing the degree of compliance with IAS 19 disclosure guidelines contributes to understanding how economic and organizational factors shape the informational behavior of companies listed on B3's Novo Mercado.

Previous Studies Related to Disclosure

Regarding studies related to disclosure, several authors highlight the importance of disclosing information—whether mandatory or voluntary—for improving decision-making and reducing informational asymmetry (Murcia & Santos, 2009; Cruz & Zonatto *et al*., 2011). Research typically relates voluntary disclosure to the existence of stronger economic incentives. Among the economic variables frequently examined are size, profit, profitability, performance, cost of capital, leverage, and corporate governance, all positively associated with disclosure in this body of research (Mapurunga *et al*., 2011). These studies associate accounting transparency practices with organizational factors that may determine the disclosure of various elements that enhance firms' informational capacity (Dye, 2001; Verrecchia, 2001; Salotti & Yamamoto, 2005).

Murcia and Santos (2009) found that larger firms in the electric power sector, companies with Level II and III American Depositary Receipts (ADR) on the New York Stock Exchange (NYSE), and firms listed under B3's differentiated levels of corporate governance exhibit higher levels of voluntary disclosure. Later, the authors conducted a similar study covering a longer period and adopting a more comprehensive disclosure metric. Contradicting earlier findings, they observed that size, corporate governance, and internationalization were not significant variables in explaining higher disclosure levels. Instead, disclosure was significantly explained by the variables electric sector, ownership origin, profitability, performance, auditing, and leverage (Murcia & Santos, 2009).

Yuen *et al*. (2009) analyzed the impact of ownership structure, corporate governance mechanisms, and firm-specific characteristics on voluntary disclosure. The results indicate that ownership structure, the presence of an audit committee, firm size, and leverage are strongly correlated with the extent of voluntary disclosure.

Disclosure in companies from specific sectors, such as electric utilities, was studied by

Zonatto *et al*. (2011), who sought to identify the determinants of adopting international accounting standards in Brazil. The variables used included ownership origin, size, financing needs, total leverage, fixed asset intensity, and return on equity. The results showed that size, financing needs, total leverage, fixed asset intensity, and return on equity best explained the level of convergence compliance.

Gallon *et al*. (2011) aimed to analyze the disclosure of variable compensation in the "Best Companies to Work For" (MEPTs) listed on B3, covering 17 companies based on the fiscal years ending in 2008 and 2009, under IFRS 2 and IAS 19. The study found that disclosure items related to employee benefits (IAS 19) were scored higher than those related to IFRS 2. Additionally, company size, industry, and number of employees influenced the extent of disclosure regarding variable compensation.

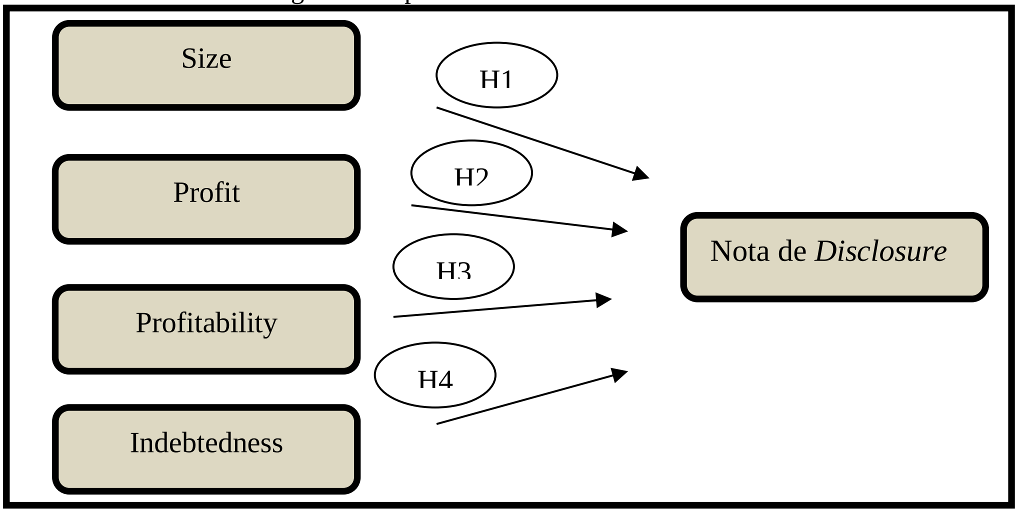
Mapurunga *et al*. (2011) examined the association between the disclosure of information on derivative financial instruments and the economic characteristics of Brazilian publicly traded companies. They also reviewed standardized financial statements from 75 companies listed under B3's differentiated governance levels. Results indicated that the attributes "size" and "profit" were positively associated with disclosure of derivative financial instruments, whereas no significant association was found for "leverage" and "profitability."

Gibbons (2023) sought to identify the degree of compliance with IAS 19 disclosure guidelines among companies listed on B3 and to determine whether firms in differentiated governance levels demonstrated higher compliance. Using bibliographic and documentary procedures, along with nonparametric hypothesis tests and correspondence analysis, the study found low compliance with disclosure requirements. Furthermore, higher compliance was observed among companies in differentiated governance levels, as well as an association between companies more adherent to IAS 19 and those listed on the Novo Mercado.

Based on the empirical evidence presented, economic characteristics—such as firm size, profitability, profitability indicators, and capital structure—have consistently been associated with the degree of accounting transparency (Murcia & Santos, 2009; Mapurunga *et al*., 2011; Meneses *et al*., 2013). Building on this literature, the present study seeks to investigate whether these determinants also influence compliance with IAS 19 requirements, expanding the debate on the boundaries between mandatory and discretionary disclosure.

Thus, the study's hypotheses were developed based on a model proposed for operationalizing the research (Figure 1). In this model, the independent variables are the economic factors "size," "profit," "profitability," and "leverage," while the dependent variable is the "Disclosure Index," described previously.

Figure 1 – Operational model of the research



Source: Author's own elaboration (2025)

Based on the contributions of Discretionary Disclosure Theory regarding the phenomenon of financial information disclosure driven by endogenous factors—meaning that management may choose whether or not to disclose certain information, and under which circumstances disclosure will occur (Salotti & Yamamoto, 2006)—the following hypotheses were formulated:

H1: Disclosure of employee benefits is positively associated with firm size.
H2: Disclosure of employee benefits is positively associated with profit.
H3: Disclosure of employee benefits is positively associated with profitability.
H4: Disclosure of employee benefits is positively associated with leverage.

Finally, the literature suggests that accounting disclosure results from an interaction between normative and discretionary elements. Although IAS 19 establishes objective transparency criteria for employee benefits, the actual degree of compliance may vary according to firms' economic and structural conditions. This premise guides the formulation of this study's hypotheses, which examine whether characteristics such as size, profit, profitability, and leverage are associated with the intensity of disclosure required by the standard.

METHODOLOGICAL TRAJECTORY

To analyze the determinants of IAS 19 disclosure among firms, this research is classified as descriptive, employing documentary procedures and data extracted from the notes to the financial statements for the period 2020 to 2024, published by publicly traded companies listed on the São Paulo Stock Exchange (B3) in the Novo Mercado segment. The data were subjected to content analysis. In terms of nature, the study adopts a quantitative approach, using statistical techniques to address the research questions.

The study population consists of 130 firms that trade their shares on B3 and are listed in the Novo Mercado segment. The choice of this segment is justified because it includes organizations that voluntarily commit to adopting corporate governance and transparency practices that exceed legal requirements. This criterion was used because these companies claim to operate with higher quality and transparency in their financial disclosures. Furthermore, Gibbson (2023) found greater adherence to IAS 19 among firms listed in the Novo Mercado.

To form the study sample, the following were excluded: (a) 17 organizations classified in B3’s financial and related sectors, as they present characteristics that differentiate them from other firms due to specific disclosure requirements in their countries of origin; and (b) 3 organizations whose financial information was not available in Economática®.

The choice of the 2020–2024 period is justified as it provides updated empirical evidence on adherence to IAS 19, continuing the findings of Miranda, Tomé and Gallon (2011), who analyzed 2009 data. This interval therefore allows for an assessment of the evolution of accounting transparency practices after more than a decade of consolidation of International Financial Reporting Standards (IFRS) in Brazil, reflecting the current stage of compliance among companies listed in B3’s Novo Mercado.

The notes to the financial statements of the 110 firms comprising the final sample were collected between January and March 2025, directly from the B3 website, where the financial reports for the fiscal years 2020 to 2024 were downloaded. Data collection involved content analysis of the explanatory notes concerning disclosures required by IAS 19, with the objective of identifying the information actually disclosed by the firms.

After defining the sample, the research metric developed by Miranda, Tomé and Gallon (2011) was applied. This metric comprises the disclosure requirements established in the standard, and the firms’ adherence was assessed using the content analysis technique proposed by Bardin (2011).

Table 1 – Frequency of Disclosure

Disclosure Item
Level of coverage for short-term benefits
Discloses the entire workforce, including directors, executives, and employees in general
Discloses the entire workforce, including directors, executives, and employees in general
Level of coverage for each item of the Defined Contribution Plan
Discloses information regarding the plan's characteristics
Discloses payments made during the fiscal year
Discloses expenses incurred during the fiscal year and other obligations assumed, relating to past events that will result in cash disbursement
Level of coverage for each item of the Defined Benefit Plan
Discloses the accounting policy adopted in the recognition of actuarial gains and losses
Discloses the general description of the plan's characteristics
Discloses the reconciliation of assets and liabilities recognized in the Balance Sheet
Discloses the statement of the movement of net actuarial liabilities (assets) during the fiscal year
Discloses the total expense recognized in the income statement
Discloses the main actuarial assumptions used in defined benefit plans

Source: Adapted from Miranda, Tomé, and Gallon (2011)

AS 19 does not require specific disclosures for short-term benefits but only for post-employment benefits, which are divided into defined contribution (DC) plans and defined benefit (DB) plans (IFRS, 2012). Thus, the research metric included employee benefits granted both in the short term and post-employment. The inclusion of both benefit types was decisive for adopting this metric. The requirements of IAS 19 were distributed into 11 items, as presented in Table 1.

Following Bardin’s (2011) technique, each item was coded according to its status, assigning a value of “one” when disclosure was present and “zero” otherwise. As in the studies of Mapurunga *et al*. (2011) and Meneses *et al*. (2013), the variable *Disclosure Index* corresponds to the sum of disclosed items, ranging from 0 to 11 depending on the degree of compliance with IAS 19. Accordingly, each company received an integer value between 0 and 11. A score of 0 indicates that the firm complied with none of the mandatory disclosures, while a score of 11 indicates full compliance with all IAS 19 requirements.

After collecting and cataloging the data, the next step was to examine the association between the *Disclosure Index* and the firms’ determinants—specifically, size, profitability, profit, and leverage. These variables were selected on conteon their use in prior research, as shown in Table 2.

Table 2 – Variables of economic characteristics

Variable	Proxy	Fundamentation	Source
Size	= Total Assets	MURCIA e SANTOS (2009); ZONATTO et al. (2011); MAPURUNGA *et al*. (2011); MENESES et. al. (2013); PEREIRA *et al*, 2025.	Economática®
Profit	= Net Earnings	MAPURUNGA *et al*. (2011); MENESES *et al*. (2013)	Economática®
Profitability	=Net Earnings/Equity (ROE)	ZONATTO *et al*. (2011); DANTAS *et al*., 2010; MAPURUNGA *et al*. (2011); MENESES *et al*. (2013)	Economática®
Indebtedness	=Interest-bearing Liabilities/Total Assets	ZONATTO *et al*., (2011); MAPURUNGA *et al*. (2011); MENESES *et al*. (2013)	Economática®

Source: Author's own elaboration (2025)

For data processing, Multiple Linear Regression was used. Multiple linear regression is a statistical technique suitable for problems that aim to predict a dependent variable based on more than one independent variable. The model is described as follows:

$$y_i = \beta_0 + \beta_1 X_{1i} + \beta_2 X_{2i} + \beta_3 X_{3i} + \beta_4 X_{4i} + \varepsilon_i$$

Explaining:

Y is the dependent variable;
X1, X2, X3, X4 are the independent variables;
β0, β1, β2, β3, β4 are the regression parameters;
ε represents the residual or error term.

Multiple Linear Regression analysis seeks to identify the explanatory variables that best predict the dependent variable. In this study, the goal is to understand whether the association between the determinants (explanatory variables), previously used in earlier studies, significantly explains the *Disclosure Index* of firms with respect to IAS 19 – Employee Benefits (dependent variable).

ANALYSIS OF RESULTS

After analyzing the content of the explanatory notes to the standardized financial statements, it was possible to observe the degree of compliance with the disclosures defined by IAS 19 in the organizations listed on the Novo Mercado segment of the B3 stock exchange.

Table 3 – Frequency of Evidence

Disclosure Item	2020	2021	2022	2023	2024
Level of coverage for short-term benefits					
Discloses the entire workforce, including directors, executives, and employees in general	38%	44%	46%	48%	52%
Discloses only directors and executives	91%	96%	96%	98%	98%
Level of coverage for each item of the Defined Contribution Plan					
Discloses information regarding the plan's characteristics	71%	83%	79%	79%	68%
Discloses payments made during the fiscal year	42%	42%	42%	42%	42%
Discloses expenses incurred during the fiscal year and other obligations assumed, relating to past events that will result in cash disbursements	33%	28%	38%	42%	50%
Level of coverage for each item of the Defined Benefit Plan					
Discloses the accounting policy adopted in the recognition of actuarial gains and losses	40%	42%	42%	44%	44%
Discloses a general description of the plan's characteristics	46%	57%	75%	83%	95%
Discloses the reconciliation of assets and liabilities recognized in the Balance Sheet	50%	57%	75%	80%	87%
Discloses the statement of the movement of net actuarial liabilities (assets) during the fiscal year	25%	50%	50%	75%	75%
Discloses the total expense recognized in the income statement	42%	83%	67%	57%	78%
Discloses the main actuarial assumptions used in defined benefit plans	42%	42%	54%	54%	62%

Source: Author's own elaboration (2025)

Table 3 presents the results for the items included in the disclosure metric. Regarding the items related to the level of compliance with short-term employee benefits, the first item—disclosure of the entire workforce, including directors, executives, and general employees—showed a frequency of 46%, while the second item, referring only to directors and executives, was disclosed by 96% of firms. The results indicate that disclosures are directed primarily toward executive directors, without equally covering the organization's full workforce. This outcome may be explained by IFRS 24 – Related Party Disclosures, approved by CVM Resolution No. 560/2008, which requires, in item 16, that the entity disclose the remuneration of key management personnel (directors and executives) in total and for each of the following categories: (a) short-term employee and management benefits; (b) post-employment benefits; (c) other long-term benefits; (d) termination benefits; and (e) share-based compensation (IFRS, 2010). It may also be related to the fact that IAS 19 does not require specific disclosures for short-term benefits (IFRS, 2012). Additionally, these results converge with those of Miranda *et al*. (2011), who examined the 17 best companies to work for (MEPTs), reporting corresponding percentages of 41% and 100%.

Regarding the level of disclosure for each item of the Defined Contribution (DC) Plan, firms provide information on the general characteristics of the plan. However, they do not fully disclose the contributions paid during the year, the expenses incurred in the period, or other obligations arising from past events that will result in future cash outflows; these were disclosed by 42% and 38% of firms, respectively. The results align with Gibbson (2023), as 66% disclosed information on the amount recognized as an expense under the DC plan, but differ from Miranda *et al*. (2011), who found that firms primarily disclosed plan characteristics.

As for the Defined Benefit (DB) Plan, the items concerning the general description of plan characteristics, reconciliation of assets and liabilities recognized on the balance sheet, and total expense recognized in profit or loss were disclosed by 75%, 75%, and 67% of firms, respectively, in the last year analyzed. These findings converge with those of Miranda, Tomé, and Gallon (2011), although at lower proportions, since those authors reported disclosure rates of 100%, 100%, and 78% for the same items. The results are consistent with Iudícibus (2010), who argues that the complexity of accounting for this type of benefit stems from the need to use actuarial assumptions.

Table 4 presents the Disclosure Score variable, which summarizes the degree of compliance with disclosure requirements by firms.

Table 4 – Disclosure Notes for Employee Benefits Information.

Disclosure note	**Number of organizations**	**% of organizations**
0 (0%)	6	5.3%
1 (0%)	0	0%
2 (0%)	0	0%
3 (27%)	9	8.2%
4 (36%)	9	8.2%
5 (45%)	13	11.8%
6 (55%)	17	15.5%
7 (64%)	17	15.5%
8 (73%)	22	20.0%
9 (82%)	8	7.3%
10 (91%)	9	8.2%
11 (0%)	0	0%

TOTAL	110	100%

Source: Author's own elaboration (2025)

None of the 110 firms achieved the maximum possible score; only 9 firms with the highest disclosure levels reached a score of 10, or 91% of the information required by IAS 19 – Employee Benefits. It can also be observed that 9 companies received a score of 3 (8.2%). Another relevant point concerns scores of 6 and 7, recorded by 36 firms, while 22 firms obtained a score of 8. Additionally, 6 firms disclosed no information whatsoever regarding compliance with the employee benefit requirements.

The next table examines the association between disclosure levels and economic determinants through multiple linear regression. It is important to highlight that the study used the logarithm of total assets and divided profit by assets to control for size effects. According to the next table:

Table 5 – Multiple Linear Regression Test

Associations	**N**	***Coefficient***	***p-value***
Disclosure Note x Log Assets	110	-0.250685	0.13
Disclosure Note x Debt	110	-0.000826701	0.17
Disclosure Note x Assets/Earnings	110	0.00651166	0.84
Disclosure Note x Profitability	110	-0.00808393	0.42

Source: Author's own elaboration (2025)

None of the 110 firms achieved the maximum possible score; only 9 firms with the highest disclosure levels reached a score of 10, or 91% of the information required by IAS 19 – Employee Benefits. It can also be observed that 9 companies received a score of 3 (8.2%). Another relevant point concerns scores of 6 and 7, recorded by 36 firms, while 22 firms obtained a score of 8. Additionally, 6 firms disclosed no information whatsoever regarding compliance with the employee benefit requirements.

The next table examines the association between disclosure levels and economic determinants through multiple linear regression. It is important to highlight that the study used the logarithm of total assets and divided profit by assets to control for size effects. According to the next table: XXXXX The R-squared value was 0.048576. In other words, approximately 5% of the association is explained by the independent variables—assets, leverage, profit, and profitability. The coefficients of determination for the regressions used to assess the association between the Disclosure Score and the economic factors showed a low degree of fit to the regression line (−0.250685, 0.17833, 0.83584, 0.41766). The coefficient of determination indicates the proportion of variance that can be explained.

Table 5 presents the values for all variables under analysis, and it is noted that all p-values exceed 5%, which prevents the assertion of a significant association between the Disclosure Score and the independent variables. Thus, it is not possible to state that assets, profit, profitability, and leverage are associated with the dependent variable, which leads to the rejection of this study's hypotheses claiming an association between IAS 19 disclosure levels and firm characteristics.

The economic determinants used did not serve as incentives for disclosure. Other factors may help explain firms' disclosure levels. The results may be justified by the fact that the disclosure requirements of IAS 19 are relatively recent, allowing firms to exercise discretion in reporting, consistent with Gibbson (2023). This reinforces Discretionary Disclosure Theory, which posits that firms exercise discretion even in mandatory disclosures (Verrecchia, 2001). Managers may use other factors to inform their reporting decisions. In this context, disclosure is understood as an endogenous process in which management may choose whether to disclose a given piece of information and under what circumstances disclosure will occur (Salotti & Yamamoto, 2006).

The first finding does not corroborate the empirical results of Murcia and Santos (2009), who observed that larger firms exhibit higher disclosure levels, nor those of Lanzana (2004), Costa, Golder and Galdi (2007), Pereira *et al*. (2008), Cruz and Lima (2010), Mapurunga *et al*. (2011), and Schvirk *et al*. (2013). A possible explanation is that firm size is not a determining factor for IAS 19 disclosure, and thus not the main criterion affecting the level of disclosure.

Regarding the variable leverage, the finding corroborates the studies of Zonatto *et al*. (2011), Mapurunga *et al*. (2011), and Meneses *et al*. (2013). A possible explanation for the lack of association with the Disclosure Score is that firms typically finance through material acquisition and investment activities and, in addition to employee benefits, do not face substantial pressure to provide information that demonstrates operational efficiency to stakeholders, as suggested by Lanzana (2004). According to the author, firms with higher leverage tend to disclose more information because they must provide greater transparency to creditors, who strongly monitor management. In the case of this IFRS requirement, however, such pressures do not appear to drive disclosure.

As for the profit variable, the finding does not corroborate the empirical evidence of Pereira (2008), Mapurunga *et al*. (2011), and Meneses *et al*. (2013), who found that more profitable organizations exhibit higher disclosure levels.

Regarding profitability, no statistical significance was observed, a finding consistent with Mapurunga *et al*. (2011) and Meneses *et al*. (2013). Thus, it is worth noting that higher equity efficiency (PL) does not appear to serve as an incentive for disclosing employee benefit information.

In conclusion, all hypotheses are rejected, expressed as follows:

Disclosure Note= 10,1392 -0,250685Log_do_assets + 0,00651166assets/profit -0,0080839debt + 0,000826701profitability

The absence of statistical significance indicates that the economic factors analyzed do not explain the level of compliance with IAS 19, reinforcing the theoretical argument that mandatory disclosure is influenced primarily by discretionary and institutional factors.

It can be considered that organizations disclose information in accordance with the incentives received by managers and/or the firms themselves. Certain variables may influence the practice of disclosing employee benefit information; however, the independent variables in this study do not exhibit association with the level of compliance with the standard on employee benefits.

FINAL CONSIDERATIONS

This study analyzed the disclosure of IAS 19 and its association with the variables size, profitability, profit, and leverage among organizations listed on B3's Novo Mercado. To achieve the general objective, the following specific objectives were established: (a) to investigate, through Content Analysis of the explanatory notes disclosed for the fiscal years 2020 to 2024, the information reported regarding employee benefits, using the instrument developed by Miranda, Tomé, and Gallon (2011) to calculate the Disclosure Level in compliance with IAS 19 disclosure guidelines; and (b) to verify the association between the Disclosure Score and the economic determinants—size, profitability, profit, and leverage.

In examining the explanatory notes, the results indicated that, regarding Short-Term Benefits, disclosures are directed primarily toward executive directors, without equally covering the organization's overall workforce. For the Defined Contribution Plan, firms disclosed information related to plan characteristics; however, disclosures were incomplete for contributions paid during the fiscal year, expenses incurred during the period, and other obligations arising from past events that will result in future cash outflows. Concerning the Defined Benefit Plan, items referring to the general description of plan characteristics, reconciliation of assets and liabilities recognized on the balance sheet, and total expense recognized in profit or loss were disclosed. In summary, regarding the Disclosure Score, none of the 110 firms analyzed achieved the maximum possible score, and 6 firms failed to provide any information related to compliance with employee benefit requirements.

The findings diverge from those of Miranda, Tomé, and Gallon (2011) with respect to Short-Term Benefits and the Defined Benefit Plan. For the Defined Contribution Plan, the results also differed from the cited study; however, they were aligned with Gibbson (2023).

In assessing the degree of compliance with disclosure practices regarding employee benefits and their association with economic incentives for firms listed on B3's Novo Mercado, the results indicated no significant association with size, profit, profitability, or leverage, as statistically confirmed by the Multiple Linear Regression test. Firms may exercise discretion when disclosing mandatory information. Disclosure of IAS 19 – Employee Benefits is not explained by the determinants examined in this study and may instead be influenced by other organizational characteristics.

The contribution of this study lies in expanding the discussion on the topic by examining the level of adherence to disclosure practices regarding employee benefits during a more recent period than previous studies, allowing for a comparison of compliance over time. It also contributes by analyzing the potential association between mandatory disclosure requirements under IAS 19 and the economic characteristics of firms.

It is expected that the findings presented here will support future research, especially those aimed at investigating the relationship between disclosures and economic determinants. For future studies, it is recommended that the research be replicated among other public and private firms that trade shares in the capital market, as well as at a later stage when IASB standards are more fully consolidated. Additionally, studies involving time series and other characteristics that may explain managerial or organizational discretion are encouraged. Finally, future research may examine the influence of institutional characteristics, such as participation in other listings (e.g., ADR issuance) or industry sector, on disclosure levels.

The results reinforce that regulatory mandates do not eliminate the scope for managerial discretion, confirming the assumptions of Discretionary Disclosure Theory and highlighting the need for stronger regulatory enforcement in the Brazilian context.

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