



"Gheorghe Asachi" Technical University of Iasi, Romania



MANAGERIAL SHAREHOLDING, PERFORMANCE INCENTIVES AND ESG DISCLOSURE IN MENA: THE MODERATING ROLES OF ENVIRONMENTAL REGULATION AND TECHNOLOGICAL INNOVATION

Timothy Masuni Nagriwum*, Abednego Osei, Inusah Sulemana

School of Finance and Economics, Jiangsu University, Zhenjiang, 212013, China

Abstract

As climate-related risks intensify, there is a critical need for corporate transparency in environmental practices, especially in emerging markets where regulatory and economic pressures intersect. This study examines how environmental regulation and technological innovation moderate the impact of managerial shareholding and performance incentives attributes on Environmental, Social, and Governance Disclosure (ESGD) in MENA economies, supporting sustainability by fostering corporate disclosure responsibility. Grounding on Stakeholder, Agency, and Resource-Based View theories, we analyze secondary data from 328 manufacturing firms in MENA economies spanning (2010-2023). We employ the Generalized Method of Moments estimator to assess our hypotheses, supplemented by fixed effects estimators and two-stage least squares instrumental variable (2SLS-IV) methods to address endogeneity. The findings reveal that management shareholding proportion positively impacts ESGD across MENA economies, and management performance incentives significantly enhance ESGD in the Middle East but exhibit a negative impact in North Africa. Additionally, both environmental regulation and technological innovation affirmatively moderate of nexus between managerial shareholding and performance incentives attributes and ESGD. Heterogeneity analysis indicates that factors driving sustainability disclosure vary widely across industries and countries. These results underscore the importance of strong corporate governance frameworks in advancing sustainability by promoting transparent and resilient business practices. By illuminating the interactions between management characteristics, regulatory pressures, and innovation, this study provides actionable insights for policymakers and corporate leaders in MENA countries to strengthen environmental reporting standards and integrate climate action into corporate strategy.

Key words: environmental regulation; environmental sustainability; environmental, social, and governance disclosure; managerial shareholding; performance incentives; technological innovation.

Received: March, 2025; Revised final: October, 2025; Accepted: February, 2026

* Author to whom all correspondence should be addressed: E-mail: nagriwumtm@gmail.com