

Impact of Firms' Characteristics on Integrated Reporting: Evidence from Listed Companies in Sri Lanka

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Abstract

Integrated reporting (IR) is a modern expansion in the innovative reporting dimension. Recently Integrated Reporting has been fascinated by many companies. Since in Sri Lanka applying IR is not a compulsory requirement but companies embrace IR in the different levels with the compliance of guiding principles and content elements given by the International Integrated Reporting Council (IIRC). This study aims to investigate the impact of a firms' characteristics on integrated reporting quality which are listed in the Colombo Stock Exchange (CSE). Beyond the theoretical suggestions, this study provides practical implications to the different types of stakeholders who use the information to make different business decisions. For this study, 50 listed companies that used IR practices in the CSE have been randomly selected as the sample. Secondary data were collected from the annual reports of the IR adopted companies for the period from 2016 to 2020. Integrated reporting quality was used as the dependent variable of the study and profitability, financial leverage, ownership dispersion, board diversity, and board independence were used as the independent variables. Panel regression analysis was employed to analyze data with the E-Views package. The findings of the study will help decision-makers and future researchers to get an idea about the importance of the use of integrated reporting and how it fulfills the corporate disclosure requirements of the company. This research finding will be beneficial to examine that the level of firms' specific characteristics impact on quality of IR and what is the existing level of applying IR practices of listed companies in the CSE.

Key words: *Quality of Integrated Reporting, Firms characteristics, Colombo Stock Exchange (CSE), International integrated reporting council (IIRC)*