

Corporate Internet Reporting: Evidence from Sri Lankan Listed Companies

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Abstract

Corporate Internet Reporting (CIR) is the use of the internet in corporate disclosures, unrestricted to financial information and expanding into disclosure areas related to non-financial information. The study aims to assess the level of CIR in Sri Lankan listed companies and investigate its differences among industries. The study followed a quantitative research approach. A comprehensive disclosure index with categories (i.e., Content Criterion, User Support Criterion and Presentation Criterion) is used to collect data from corporate websites that are listed on the Colombo Stock Exchange (CSE). One sample t-test results suggest that there is a lower level of CIR in terms of Sri Lankan listed companies, with a mean value of 25.6%. Further, one-sample t-tests indicated that the level of CIR in terms of specific categories was significantly lower than the test values. Thus, CIR adoption is quite lower in Sri Lanka. Regarding the industry differences, firstly, the independent sample t-test considers industry categorization as either low-or-high profile companies based on environmental sensitivity. Accordingly, there is no difference in adapting CIR between companies with less impact on the environment (i.e., Low-

profile companies) and companies with high environmental impact (i.e., High-profile companies). Secondly, one-way ANOVA analysis is conducted based on the Global Industry Classification Standard (GICS), and the results suggested that there is an overall difference, as well as specific differences in adopting CIR, among industries called Capital goods & Banks and Capital goods & Diversified financials. Considering the sub-aspects of CIR, an overall difference, as well as specific differences in adopting CIR, also exists among certain industries (i.e., Capital goods, Banks, Consumer services, etc.). The findings provide awareness of the adaption of CIR practices in Sri Lanka and are expected to possess important policy implications on the adoption of CIR and the standardization of CIR practices in Sri Lanka.

Keywords: *Corporate internet reporting, Sri Lanka, Listed companies, Disclosure index, Industry type*

JEL Classification: *M41*