

THE DETERMINANTS OF CORPORATE INTERNET REPORTING IN SRI LANKAN LISTED COMPANIES

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Corporates witnessed an intensifying concern about corporate disclosure practices using the internet. As a result, corporates disclose financial and non-financial information using corporate websites (i.e., Corporate Internet Reporting-CIR). Accordingly, the paper aimed to examine the factors that impact the level of CIR of listed companies in Sri Lanka. The research followed a quantitative approach with a sample of 122 listed companies using a stratified random sampling method. An empirical-based disclosure index was developed containing three categories (i.e., Content, User Support and Presentation Criterion) to measure the level of CIR. Further, corporate governance, firm size, listing age, internationalization, profitability, liquidity, leverage, and industry type were empirically sourced as determinants of adopting CIR. Collected data were analysed using correlation analysis, followed by multiple regression analysis. The correlation analysis revealed that there is a positive correlation between corporate governance, firm size, leverage, and a negative correlation between internationalization, and industry type which is classified based on environmental sensitivity with CIR adoption. However, the regression analysis revealed that the factors of firm size, leverage and internationalization have a significant impact on the level of CIR adoption. Hence, these three factors are considered as determinants of the CIR adoption level in Sri Lanka. The findings added value to the persisting dearth of evidence on CIR research. Further, the findings suggested extensive practical implications for corporates, decision-makers, and regulators on CIR practices. Specifically, the findings provided an understanding regarding corporate characteristics that impact CIR, which may assist corporates to determine strategies for enhancing their disclosure practices with the internet.

Keywords: Corporate governance, corporate internet reporting disclosure index, internationalization