

# **The impact of disclosure of integrated reporting practices on stakeholder value creation: Special references to listed companies in Sri Lanka**

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## **Abstract**

The purpose of this study is to investigate the impact of disclosure of integrated reporting (IR) practices on stakeholder value creation with special reference to listed companies in Sri Lanka. IR has become a new phenomenon in Sri Lanka. The studies conducted in other countries have proved that the impact of disclosure of IR practices on stakeholder value creation varied with time, country, and method used to measure variables and relationship found is inconclusive. Therefore, this research attempts to fill this research gap by examining the impact of disclosure of IR practices on stakeholder value creation. The two independent variables were used in the study as content elements, guiding principles. The dependent variables were earning per share (EPS) and return on capital employed (ROCE). The study applied the method of content analysis. The sample of the study consists of 50 top capitalized listed companies from 2015 to 2018. The authors constructed a disclosure index based on the content elements and guiding principles of the International Integrated Reporting Council (IIRC) and measured the integrated reporting disclosure score (IRS) of each company. Three hypotheses were used to achieve study objectives, whereas hypotheses were tested by the panel regression analyses. The findings of the study statistically confirmed that IR disclosure of both content elements and guiding principles were positively and significantly impact to stakeholder value creation process. Therefore, this study infers that IR is contributed towards the stakeholder value creation, and it would be useful for corporates to decide how effectively the organization can implement IR. Further, the study provides insights on IR adoption to the practitioners and policymakers.

**Keywords:** *Company disclosures, content elements, guiding principles, integrated reporting framework, integrated reporting, sustainability reporting.*