DISCLOSURE PRACTICE OF CONTENT ELEMENTS UNDER INTERNATIONAL INTEGRATED <IR> REPORTING FRAMEWORK

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Abstract *Nowadays Integrated Reporting has gained incredible momentum since, non-financial information is as valuable as financial information from the stakeholders' point of view. Now stakeholders demands more relevant, transparent and comprehensive information for decision making. Integrated reporting provide relevant information about an organization's strategy, governance systems, and performance and future prospects in a way that reflects the economic, environmental and social environment within which it operates in a single document. The main purpose of this research paper is to analyse disclosure practices of companies included in the sample when integrated reports are prepared in accordance with International Integrated Reporting Framework. Through content analysis, 90 selected companies from different sector were studied and results showed that companies were improving their disclosures and shifting to category A from category B and C. It also revealed that disclosures made by companies are increasing and most of the companies were providing a moderate level as well as higher disclosure practice.*

Keywords: *Integrated Reporting, Content Elements, Disclosure Level, DIS, Content Analysis*

INTRODUCTION

Integrated reporting (IR) is a new form of corporate reporting that provides financial and non-financial information in one report. Nowadays, IR has gained incredible momentum non-financial information is as valuable as financial information from the stakeholders' point of view. Now, stakeholders demand more relevant, transparent and comprehensive information for decision-making. IR provides financial information along with environmental, social and governance information in a single document and enhances the effectiveness of internal control systems.

The International Integrated Reporting Council (IIRC) defines an integrated report as "a concise communication about how an organization's strategy, governance, performance and prospects, in the context of its external environment, lead to the creation of value in the short, medium and long term" (IIRC, 2013b).

The concept of IR was set up through King III, the code of corporate governance in South Africa, in 2009. IR has been commenced by two separate bodies; the King Report on Governance for South Africa (King III) (IRCSA, 2011) and the IIRC in the U.K. In December 2013, the IIRC released the International Integrated Reporting Framework (IIRF).

The IIRF Consultation Draft establishes the fundamental concepts, the guiding principles and the content elements that govern the IR process. These are shown in Table 1.

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Table 1: Fundamental Concepts, Guiding Principles and Content Elements of <IR> Framework

Fundamental Concepts	Guiding Principles	Content Elements
The Capitals	Strategic focus and future orientation	Organizational overview and external environment
The Business Model	Connectivity of information	Governance
Value Creation	Stakeholder responsiveness	Opportunities and risks
	Materiality and conciseness	Strategy and resource allocation
	Reliability and completeness	Business model
	Consistency and comparability	Performance
		Future outlook

Source: (IIRC, 2013a).

Organisations worldwide move towards IR in some ways and make developments in their disclosure practice. South Africa was the first country to initiate the development of IR. In South Africa, companies listed on the Johannesburg Stock Exchange (JSE) are required to adopt IR, using the South African IR framework for its preparation (Villiers, Rinaldi & Unerman, 2014). Companies from the United Kingdom, the Netherlands, Dutch and Australia had made improvements in disclosing material non-financial information. IR is also developing in other countries such as Japan, France, Germany and Brazil. In India, The Securities and Exchange Board of India circular dated 06th February, 2017 has recommended the voluntary adoption of 'Integrated Reporting' (IR) from 2017 to 2018 by the top 500 listed companies in India, which are required to prepare a Business Responsibility Report (PwC, 2018). The information related to IR may be provided in the annual report separately, by incorporating it in management discussion & analysis, or by preparing a separate report (an annual report prepared according to IR framework) (PwC, 2018).

Thus, it becomes necessary to explore whether companies are providing adequate disclosures as per the IR framework.

REVIEW OF LITERATURE

Some prior research was reviewed to gain a better understanding of the research problem.

Akhter and Ishihara (2018) analysed integrated reports of some early-adopting companies in the UK and developed a disclosure checklist based on the IIRC framework. It was discovered that 31% of companies were classified as well prepared, 23% were classified as "prepared," 26% were classified as "less prepared," and 21% were classified as unprepared to implement the IR.

Kılıç and Kuzey (2018) examined the level of current company reports compliance with the IR framework by analysing whether and to what extent those reports include the content elements of this framework. They also constructed a

disclosure index based on the content elements of the IIRC reporting framework and measured the Integrated Reporting Disclosure Score (IRS) of each company through manual content analysis. It was found that the most disclosed items were ownership or operating structure, the number of employees, members of the board of directors, key inputs, key products and services, revenue or cash flows, internal or external risks and financial KPIs.

Dewanti, Anantha and Widasari (2017) analysed the company's readiness to adopt the IR to enable companies to re-evaluate their business activities to create value in a sustainable manner, so that the company can present high-quality information to stakeholders. They used descriptive statistical analysis on 61 indicators that reflect the eight IR elements in the IR framework. It was found that 31% of companies were categorised as well prepared, 23% were categorised as prepared, 26% companies categorised as less prepared and 21% companies were categorised as unprepared to implement the IR.

Kundu (2017) analysed different aspects of Indian corporate reporting and made a comparative analysis of the reporting aspects of selected companies with the help of IR elements. It was found that all the sample Indian companies reported almost all the aspects, and there was no significant difference in the reporting of all selected companies.

Sofian and Dumitru (2017) examined how the integrated reports issued by companies in the financial sector in Europe were following the guidance of the IIRF. It was found that each company tried to implement the IIRF content according to its operating context and characteristics and disclosed this information to the best of their ability, and they were in different stages of IR adoption.

Toit, Zyl and Schutte (2017) evaluated the extent to which IR practices changed from 2012 to 2014 in comparison to the 2009–2011 periods as the IR environment developed. It was found that there had been a distinct decrease in the amount of information provided in integrated reports, but there still existed significant uncertainty as to the amount of reporting that was required.

Appiagyei, Djajadikerta and Xiang (2016) compared the quality of IR in a mandatory and voluntary setting and examined the association between IR quality and the performance of firms considering the effect of the regulatory setting. It was found that a significant difference existed between the quality of IR in South Africa and Australia since the regulatory setting was different, and the anticipated benefits of IR to firms in the short, medium and long-term should lead to a significant positive relationship between firm performance and quality IR.

Hertgers (2016) studied the problems and solutions in the development process of IR at Tenne T, a leading European electricity transmission system operator. The study was carried out by having interviews with employees and the external accountant of Tenne T, EY. It showed problems related to a lack of clear standards, the effort and time it takes, and the difficulties regarding the determination of the content of the integrated annual report.

Lozano and Valencia (2016) studied the level of attention given to the guiding principles of the IR initiative. It was concluded that while an effort has been made to follow the principles of IR, much remains to be done. Compliance was still in a phase that could be considered early for some of these companies.

Oprişor (2016) examined whether the practical disclosures for public sector entities were in line with the fundamental concepts of IR and how close their current annual reports were to a standard integrated report. By using content analysis on their current reporting set, it was found that the disclosure levels about the fundamental concepts of IR were high and the information required to compile an integrated report was consistent in the case of top universities.

Mashile (2015) assessed the extent of reporting and disclosures made by companies listed on the Johannesburg Stock Exchange (JSE) in relation to IR and ascertained whether there had been any significant changes in the specific disclosures made, as recommended by King III from 2010 to 2012. It was found that there had been an increase in the level of disclosure by companies and it was also explained that much improvement was needed in disclosures relating specifically to the new King III sections of risk management, compliance management and IT governance.

Dragu and Tiron-Tudor (2013) investigated correlations between the voluntary adoption of IR and political, cultural and economic factors according to the institutional theory. It was found that political and economic factors were positively correlated with the voluntary adoption of IR, whereas social responsibility indices were negatively correlated.

Zyl (2013) tested the assumption that the preparation of integrated reports would lead to an improvement in the quality of sustainability-related information disclosed by corporate sector entities. The study found that, though many companies were attempting or claiming to be creating integrated reports, the level of integration was still very low.

Research Gap

As being a relatively new concept, IR proposes for more academic research. In the available literature, there is very little research done on a worldwide sample based on content elements of the IR, most of the research is done either on the sample of South African companies or country-specific research. With the continuous adoption of IR at companies worldwide, there is a need to analyse the practice by selected companies from all over the world. Hence, to fill the above research gap, the purpose of this research is to analyse the disclosure practices regarding the content elements of the IR during the sample period.

Objectives

Present study has following objectives:

- To analyse the disclosures practice of content elements of IR of the selected companies.

RESEARCH METHODOLOGY

The following research methodology was adopted for the present research:

Population and Sample

The research is based on purposive sampling. The sample for the research is extracted from the IIRC Pilot Programme Investor Network and EY's Excellence in IR Awards. The sample selection is based on the following criteria:

- Companies included in the IIRC Pilot Programme and EY's Excellence in IR Awards.
- Those Companies which adopted integrated reporting framework from the financial year 2014.
- Reports and data availability.

Out of 204 companies in these two programs, 90 were selected, which remained the same over the study period, that is, 2015–2019. The companies being analysed were from 13 countries, namely, Brazil, Germany, Italy, Japan, the Netherlands, South Africa, Spain, the United States, Denmark, the Russian Federation, Singapore, Sri Lanka and South Korea. The majority of companies were from South Africa, with 62 (68.9%) companies, and the remaining 28

(31.1%) companies were from other countries. The study covers 11 sectors, which include financial, consumer discretionary, consumer staple, metal & mining, industrial, communication, health care, chemical, energy, utilities and technology sectors.

Hypotheses

To attain the objectives of the present research, the following hypotheses were formulated:

H_{01}: There has been no significant difference in the number of companies in various Disclosure Index Score (DIS) categories over the years.

H_{02}: There is no significant difference in the number of companies in the different sectors in the various DIS categories.

Hypothesis two is divided sector-wise (financial, consumer discretionary, consumer staple, metal & mining, industrial, communication and other sectors).

H_{03}: There is no significant difference in the number of companies of different continent in various DIS categories.

Hypothesis three is divided continent-wise (Africa, Asia, Europe, North America and South America).

$H_{04(a)}$: The number of companies needing mandatory/voluntary disclosure in various disclosure score categories is not significantly different.

Hypothesis four is divided compulsion-wise (mandatory or voluntary).

Statistical Tool: For the purpose of the study, content analysis of integrated reports of sample companies was done, and the Chi-squared test, a non-parametric test, was employed to reveal whether there is a significant difference in the number of companies in various DIS categories over the years.

ANALYSIS

The Disclosure Index Score (DIS) obtained by the selected companies have been examined in order to analyze the disclosure practices of the content element of Integrated Reporting Framework. Analysis on the basis of DIS has been done as follows:

Analysis on the Basis of DIS

For the purpose of calculating DIS, a checklist was prepared on the basis of the content elements of the IR according to the IR framework. The checklist was developed in accordance with the IR framework (IIRC, 2013b) and previous studies

(Proksch, 2015; Sofian & Dumitru, 2017; Akhter & Ishihara, 2018; Herath & Gunarathne, 2016). DIS included a total of 42 items within the eight content elements of the IR framework. The DIS was calculated by dividing the number of items disclosed by the maximum score of the disclosure, as follows (Kosovic & Patel, 2013):

$$DIS_i = \frac{T = \sum_{i=1}^{n} d_i}{M = \sum_{i=1}^{m} d_i}$$

Here,

T: Total number of disclosed items (d_i) by company i.

M: Maximum number of disclosure items for the company i.

DIS_i: Total disclosure index score for each company.

To analyse the scores obtained by the companies, they were divided into three categories. Category A included companies that scored greater than 0.75 to a maximum of 1. Category A indicated companies that had the highest disclosure of content elements in the integrated report. Category B includes companies that scored 0.50–0.75, which indicates moderate disclosure, and Category C includes companies that scored more than 0.25–0.50, which indicates lower disclosure practices by companies. No company scored less than 0.25, so no separate category has been created for it.

Company-Wise Analysis

In order to reveal whether there is a significant difference in the number of companies in various DIS categories over the years, a Chi-squared test was performed:

Table 2 displays the distribution of companies according to the DIS category and the results of the Chi-squared test.

The results of the Chi-squared test for the first hypothesis (H_{01}) show the Chi-squared test statistics at 22.492 with a p-value of 0.004. Since the p-value is smaller than 0.05, it implies that there is a significant difference in the number of companies in various DIS categories over the years, that is, 2015–2019.

Table 2 and Fig. 1 reveal that there is a decreasing trend in Category B and C and an increasing trend in Category A, which indicate that disclosures made by companies are increasing year by year. Companies are improving their disclosures and shifting to Category A from Category B and C. Although there is a decreasing trend in Category B, the number of companies included in this category was higher than other categories for the years 2015–2018 and for the year 2019, it was equal to Category A, that is, 42 in both categories. It implies that disclosures made by companies are increasing and most of the companies are providing a moderate level of disclosure as well as higher disclosure practices.

Table 2: Distribution of Companies according to DIS

DIS	Category	2015	2016	2017	2018	2019
0.25-0.50	C	18	9	10	7	6
0.51-0.75	B	53	52	44	42	42
0.76-1.00	A	19	29	36	41	42
Total		90	90	90	90	90
Chi-Square Value		22.492				
P-value		0.004*				

*Significant at 0.05 level of significance

Source: SPSS Output.
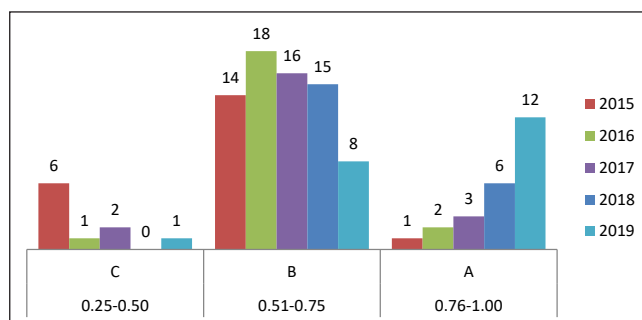
Fig. 1: Distribution of Companies according to DIS

Source: Own Computation.

Sector-Wise Analysis

In order to explore disclosure practices sector-wise, DIS were calculated sector-wise.

Financial Sector

Table 3 shows the distribution of companies in the financial sector by DIS obtained along with the results of the Chi-squared test. It reveals the Chi-squared statistics is 31.417 with a p-value of 0.000. The p-value is smaller than 0.05, it implies that there has been a significant difference in the number of companies in various DIS categories over the years, that is, 2015–2019 in the financial sector.

Table 3: Financial Sector Companies according to DIS

DIS	Category	2015	2016	2017	2018	2019
0.25-0.50	C	6	1	2	0	1
0.51-0.75	B	14	18	16	15	8
0.76-1.00	A	1	2	3	6	12
Total		21	21	21	21	21
Chi-Square Value		31.417				
P-value		0.000*				

*Significant at 0.05 level of significance

Source: SPSS Output.

It further shows that companies included in Category C show a decreasing trend, while Category B shows that the number of companies increased from 2015 to 2016, from 14 to 18. From 2017, there is a continuous decrease, from 16 to 15 and to eight in 2017, 2018 and 2019 respectively. Category A shows continuous improvement in disclosures of elements of an integrated report, particularly in 2019, there is a sharp increase in Category A, from six companies to 12 companies. Although there is more number of companies in Category B as compared to A, except in the year 2019. It has seen significant improvement in 2019, and companies in the financial sector are presenting a higher level of disclosure practice.

Consumer Discretionary Sector

Table 4 shows the distribution of consumer discretionary sector companies by DIS obtained and the results of the Chi-squared test. It displays that Chi-squared statistics as 4.125 with a p-value of 0.846. Since the p-value is greater than 0.05, the null hypothesis cannot be rejected at the 5% level of significance. It implies that there is no significant difference in the number of companies in various DIS categories over the sample years, that is, 2015–2019, in consumer discretionary sector companies. However, disclosure is improving from year to year and companies are shifting to Category A. By the end of the period, most of the companies are included either in the A or B categories, with only 1 company included in the C category. It represents that the companies in the consumer discretionary sector are presenting a moderate or higher level of disclosure practice.

Table 4: Consumer Discretionary Sector Companies according to DIS

DIS	Category	2015	2016	2017	2018	2019
0.25-0.50	C	2	2	2	2	1
0.51-0.75	B	9	7	5	4	7
0.76-1.00	A	3	5	7	8	6
Total		14	14	14	14	14
Chi-Square Value		4.125				
P-value		0.846				

Source: SPSS Output.

Consumer Staple Sector

Table 5 demonstrates the distribution of companies in the consumer staples sector by the DIS obtained and the results of the Chi-squared test. It shows that Chi-squared statistics is 6.720 with a p-value of 0.567. Since the p-value is greater than 0.05, the null hypothesis cannot be rejected at the 5% level of significance. It implies that there has been no significant difference in the number of companies in various

DIS categories over the years, that is, 2015–2019 in the consumer staple sector. It also reveals that companies in the consumer staples sector have moderate disclosure practices.

Table 5: Consumer Staple Sector Companies according to DIS

DIS	Category	2015	2016	2017	2018	2019
0.25-0.50	C	2	1	1	0	0
0.51-0.75	B	10	10	8	8	8
0.76-1.00	A	1	2	4	5	5
Total		13	13	13	13	13
Chi-Square Value		6.720				
P-value		0.567				

Source: SPSS Output.

Metal and Mining Sector

Table 6 presents the distribution of DIS obtained by metal & mining sector companies and the results of the Chi-squared test reveal Chi-squared test statistics of 10.909 with a p-value of 0.207. Since the p-value is greater than 0.05, the null hypothesis cannot be rejected at a 5% level of significance. It reveals there is no significant difference in the number of companies in various DIS categories over the sample years, that is, 2015–2019 in the metal & mining sector. It further reveals that each category contains an almost equal number of companies for this sector.

Table 6: Metals and Mining Sector Companies according to DIS

DIS	Category	2015	2016	2017	2018	2019
0.25-0.50	C	0	0	0	0	4
0.51-0.75	B	4	1	1	1	4
0.76-1.00	A	6	9	9	9	5
Total		10	10	10	10	10
Chi-Square Value		10.909				
P-value		0.207				

Source: SPSS Output.

Industrial Sector

Table 7 demonstrates the distribution of the industrial companies by DIS obtained and the results of the Chi-squared test. It shows that Chi-squared statistics is 1.711 with a p-value of 0.989. Since the p-value is greater than 0.05, the null hypothesis cannot be rejected at a 5% level of significance. It implies that there has been no significant difference in the number of companies in various DIS categories over the years, that is, 2015–2019 in the industrial

sector. It also shows continuous improvement in disclosure practice and by the end of the period presenting a higher level of disclosure practice.

Table 7: Industrial Sector Companies according to DIS

DIS	Category	2015	2016	2017	2018	2019
0.25-0.50	C	3	3	2	2	2
0.51-0.75	B	4	4	4	3	3
0.76-1.00	A	2	2	3	4	4
Total		9	9	9	9	9
Chi-Square Value		1.711				
P-value		0.989				

Source: SPSS Output.

Communication Sector

Table 8 shows the distribution of companies in the communication sector by DIS obtained and the results of the Chi-squared test, which reveal Chi-squared statistics of 1.797 with a p-value of 0.987. As the p-value is greater than 0.05, the null hypothesis cannot be rejected at a 5% level of significance. It implies that there has been no significant difference in the number of companies in various DIS categories over the years, that is, 2015–2019 in communication sector companies. It is reported that most of the companies in the communication sector have moderate disclosure practices.

Table 8: Communication Sector Companies according to DIS

DIS	Category	2015	2016	2017	2018	2019
0.25-0.50	C	1	1	1	1	0
0.51-0.75	B	4	3	3	3	4
0.76-1.00	A	1	2	2	2	2
Total		6	6	6	6	6
Chi-Square Value		1.797				
P-value		0.987				

Source: SPSS Output.

Other Sectors

Table 9 presents the distribution of companies in other sectors, which include the energy, utilities and technology sectors, by DIS and the results of the Chi-squared test which show a Chi-squared statistics is 1.722 with a p-value of 0.988. Since the p-value is greater than 0.05, the null hypothesis cannot be rejected at 5% level of significance. It reveals that there has been no significant difference in the number of companies in various DIS categories over the years, that is, 2015–2019 in other sectors, that is, energy,

utilities and technology. As more number of companies are there in Category B, which is showing moderate level disclosure practice.

Table 9: Other Sectors Companies according to DIS

DIS	Category	2015	2016	2017	2018	2019
0.25-0.50	C	1	1	1	1	0
0.51-0.75	B	5	5	4	4	5
0.76-1.00	A	2	2	3	2	3
Total		8	8	8	8	8
Chi-Square Value		1.722				
P-value		0.988				

Source: SPSS Output.

Continent-Wise Analysis

To examine that if there is significant difference in the number of companies in various DIS categories over the years on the basis of the various continents, DIS scores were calculated on the basis of continents.

Africa Continent

Table 10 shows the distribution of companies of Africa continent by DIS obtained and the results of the Chi-squared test which reveals Chi-squared statistics is 18.509 with a p-value of 0.018. Since the p-value is smaller than 0.05, the null hypothesis is rejected at a 5% level of significance. It implies that there has been a significant difference in the number of companies in various DIS categories over the years that is, 2015–2019 in the Africa continent. It is further revealed that there is a decreasing trend in Category B and C while increasing trend in Category A. It implies that disclosures made by companies are increasing and most of the companies are providing a moderate and higher level of disclosure for African companies.

Table 10: Africa continent companies according to DIS

DIS	Category	2015	2016	2017	2018	2019
0.25-0.50	C	9	3	4	1	4
0.51-0.75	B	39	36	31	29	29
0.76-1.00	A	14	23	27	32	29
Total		62	62	62	62	62
Chi-Square Value		18.509				
P-value		0.018*				

*Significant at 0.05 level of significance

Source: SPSS Output.

Asia Continent

Table 11 shows the distribution of Asia continent companies by DIS obtained and the results of the Chi-squared test shows that Chi-squared statistics is 6.500 with a p-value of 0.591. Since the p-value is greater than 0.05, the null hypothesis cannot be rejected at a 5% level of significance. It implies that there has been no significant difference in the number of companies in various DIS categories over the years that is, 2015–2019 in Asia continent companies. It further reveals a moderate level of disclosure practice for Asian companies.

Table 11: Asia Continent Companies according to DIS

DIS	Category	2015	2016	2017	2018	2019
0.25-0.50	C	6	5	5	5	2
0.51-0.75	B	2	2	2	1	5
0.76-1.00	A	2	3	3	4	3
Total		10	10	10	10	10
Chi-Square Value		6.500				
P-value		0.591				

Source: SPSS Output.

Europe Continent

Table 12 demonstrates the distribution of companies of Europe continent by DIS obtained and the results of the Chi-squared test. It was found that Chi-squared test statistics is 1.711 with a p-value of 0.989. Since the p-value is greater than 0.05, the null hypothesis cannot be rejected at a 5% level of significance. It implies there is no significant difference in the number of companies in various DIS categories over the years that is, 2015–2019 in the Europe continent. As the number of companies included in Category A and B categories are equal by the end of the period, hence Europe continent companies representing higher or a moderate level of disclosure practice. None of the companies was in C category in 2019.

Table 12: Europe Continent Companies according to DIS

DIS	Category	2015	2016	2017	2018	2019
0.25-0.50	C	2	1	1	1	0
0.51-0.75	B	9	10	9	9	7
0.76-1.00	A	3	3	4	4	7
Total		14	14	14	14	14
Chi-Square Value		5.117				
P-value		0.745				

Source: SPSS Output.

North America

Table 13 shows the distribution of companies of the North America continent by DIS obtained and the results of the Chi-square. Chi-squared statistics is 6.500 with a p-value of 0.591. Since the p-value is greater than 0.05, the null

hypothesis cannot be rejected at 5% level of significance. It implies that there is no significant difference in the number of companies in various DIS categories over the years that is, 2015–2019 in North America continent companies. This continent also shows that the number of companies included in Category A and B categories are equal by the end of the period, hence, North America continent companies also representing higher or moderate level of disclosure practice. None of the companies was in C category in 2019.

Table 13: North America Continent Companies according to DIS

DIS	Category	2015	2016	2017	2018	2019
0.25-0.50	C	1	0	0	0	0
0.51-0.75	B	1	2	2	2	1
0.76-1.00	A	0	0	0	0	1
Total		2	2	2	2	2
Chi-Square Value		8.750				
P-value		0.364				

Source: SPSS Output.

South America

Table 14 demonstrates the distribution of South America continent companies by DIS obtained and the results of the Chi-squared test. It was found that Chi-squared test statistics is 1.711 with a p-value of 0.989. Since the p-value is greater than 0.05, the null hypothesis cannot be rejected at 5% level of significance. It implies there is no significant difference in the number of companies in various DIS categories over the sample years that is, 2015–2019 in the South America continent. It shows a higher level of disclosure practice as more companies in Category A.

Table 14: South America Continent Companies according to DIS

DIS	Category	2015	2016	2017	2018	2019
0.25-0.50	C	0	0	0	0	0
0.51-0.75	B	2	2	0	1	0
0.76-1.00	A	0	0	2	1	2
Total		2	2	2	2	2
Chi-Square Value		8.000				
P-value		0.092				

Source: SPSS Output.

Compulsion-Wise Analysis

To examine whether there is a significant difference in the number of companies in various DIS categories over the years on the basis of regulatory compulsion under the IR framework, DIS scores were calculated as per regulatory compulsion.

Mandatory Practice

Table 15 shows the distribution of companies for which IR is mandatory by DIS and the results of the Chi-squared test. It was found that the reveal Chi-squared statistics is 18.509 with a p-value was 0.018. Since the p-value is smaller than 0.05, the null hypothesis is rejected at the 5% level of significance. It implies that there has been a significant difference in the number of companies in various DIS categories over the years, that is, 2015–2019 for companies, for which IR is mandatory.

Table 15: Mandatory Disclosure Practice Companies according to DIS

DIS	Category	2015	2016	2017	2018	2019
0.25-0.50	C	9	3	4	1	4
0.51-0.75	B	39	36	31	29	29
0.76-1.00	A	14	23	27	32	29
Total		62	62	62	62	62
Chi-Square Value		18.509				
P-value		0.018*				

*Significant at 0.05 level of significance

Source: SPSS Output.

It further reveals a decreasing trend in Category B and C, and an increasing trend in Category A, which indicates companies are improving their disclosures and shifting to Category A from Category B and C.

Voluntary Practice

Table 16 demonstrates the distribution of companies for which the IR Framework is voluntary as determined by DIS and the results of the Chi-squared test. It was revealed that Chi-squared statistics is 1.711 with a p-value of 0.989. Since the p-value is greater than 0.05, the null hypothesis cannot be rejected at the 5% level of significance. It implies that there is no significant difference in the number of companies in various DIS categories over the years, that is, 2015–2019 for companies for which IR is voluntary. It also discloses that Category A and B contain an equal number of companies, which implies higher and moderate level of disclosure practice for the companies, for which IR is voluntary.

Table 16: Voluntary Disclosure Practice Companies according to DIS

DIS	Category	2015	2016	2017	2018	2019
0.25-0.50	C	9	6	6	6	2

DIS	Category	2015	2016	2017	2018	2019
0.51-0.75	B	14	16	13	13	13
0.76-1.00	A	5	6	9	9	13
Total		28	28	28	28	28
Chi-Square Value		9.435				
P-value		0.307				

Source: SPSS Output.

SUMMARY OF FINDINGS

The main objective of the present research was to analyse the disclosure practices and content elements of IR practices of the selected companies. For this purpose, DIS was calculated with the help of a checklist, prepared on the basis of the content elements of the IR according to the IR Framework.

Company-wise analysis showed that there was a decreasing trend in Category B and C and an increasing trend in Category A, which indicated that disclosures made by companies were increasing year by year. Companies are improving their disclosures and shifting to Category A from Category B and C.

Sector-wise analysis showed that only the financial sector verified a statistically significant difference in the number of companies in various DIS categories over the years, and remaining all sectors showed no significant difference in the number of companies in various DIS categories over the years. It was also found that the financial and industrial sectors showed a higher level of disclosure practice, whereas consumer staple, communication and other sectors displayed a moderate level of disclosure practice. Almost all the sectors showed an increasing trend in Category A and implied that over the years, companies in all sectors were increasing their disclosure level.

The results of continent-wise analysis reported that only the Africa continent confirmed a statistically significant difference in the number of companies in various DIS categories over the years and remaining all continents showed no significant difference in the number of companies in various DIS categories over the years. It further revealed that companies from all continents showed higher or moderate levels of disclosure practice.

The results of compulsion-wise analysis showed that mandatory disclosure practice companies proved a statistically significant difference in the number of companies in various DIS categories over the year, whereas voluntary disclosure practice companies showed no significant difference in the number of companies in various DIS categories over the year. But both types of companies, for which the IR framework is mandatory and for which it is voluntary, showed a higher or moderate level of disclosure practice.

Summing up, it can be concluded that companies are improving their disclosure practices and most of the companies are providing either moderate-level or higher-level disclosure practices.

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