

Isomorphism and Compliance: Exploring the Impact on Integrated Reporting Practices

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ABSTRACT

This study delved deeper into the impact of isomorphic pressure on adopting integrated reporting practices through the lenses of the Institutional Theory and the Gibbin's Model, focusing on the mediating role of disclosure position in the context of an emerging economy. The study employed a survey research design using a sequential mixed-method approach. Quantitative data were collected using a questionnaire distributed to public listed companies in Sri Lanka, which produced 126 usable responses for the analysis. Qualitative data were used to explore quantitative findings. The quantitative findings revealed that isomorphic pressure and disclosure position positively influenced the adopting of integrated reporting practices. Concurrently, the research lends credence to the role of disclosure position as a mediator in this relationship. The case of isomorphic influence and disclosure stance was strengthened by the qualitative findings used to explore quantitative findings. This study will aid regulatory bodies, professional accounting bodies, and businesses in raising awareness and supporting widespread adoption. From the Institutional Theory and Gibbin's Model perspectives, this was the first study to analyze the collective influence of coercive, mimetic, and normative isomorphisms adopting integrated reporting practices and how the disclosure position mediated this relationship.

Keywords: Disclosure Position, Gibbin's Model, Institutional Theory, Isomorphic Influence, Integrated Reporting

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INTRODUCTION

Transparent financial reporting and disclosures, which disclose massive corporate information, build stakeholder relationships. Businesses give investors and other stakeholders more information to show transparency and responsibility (Camilleri, 2019), thus, Integrated Reporting (IR) is the latest corporate reporting paradigm to promote transparency and accountability. Hence, IR is gaining significant traction globally as companies recognized the need of adoption (Bananuka et al., 2019; Hosoda, 2022). However, the diffusion of IR practices is slow (Carmo et al., 2023). Sri Lankan companies also have a low degree of corporate disclosure (Priyadarshani et al., 2023), and relative parties may not be able to promote IR adoption without understanding the factors that impact practice. This emphasizes the necessity for further scrutiny of the prospects of enhancing current IR adoption. Due to a cloudy understanding of factors affecting IR practices, relevant parties' efforts to enhance them will be constrained. Therefore, despite the recognized importance of transparent financial reporting and disclosures in fostering stakeholder relationships and promoting corporate accountability, specific factors influencing the adoption of IR in developing countries, such as Sri Lanka, remain insufficiently explored.

The Institutional Theory, a prominent theory that promotes IR (Camilleri, 2019), provides a macro picture of why an organization adopts certain reporting procedures or structures. Different institutional pressures are applied to managers responsible for IR (Higgins et al., 2014), and this pressure might be coercive, mimetic, or normative. Hence, numerous qualitative and quantitative studies (Higgins et al., 2014; Jayasiri, 2020; Lakshan et al., 2021; Lakshan & de Villiers, 2023) have utilized the Theory to determine how Isomorphic Influence (II) affects the adoption of IR practices. Researching the institutional environment's effects is tough since isolating factors and distinguishing them from other internal-contextual variables is hard. Thus, while qualitative studies (Lakshan et al., 2021; Lakshan & de Villiers, 2023) discussed the isomorphic influence and IR, and quantitative studies have examined the impact of isomorphic influence on IR using secondary data, the impact of isomorphic influence on IR disclosure remains debatable. Primary data allows for meticulous preparation and rigorous validation procedures, resulting in a high level of accuracy and precision that is deemed best for examining the occurrence of

variables (Emanuelson & Egenvall, 2014). Hence, primary data is best for identifying the actual site of isomorphic influence occurrence. Furthermore, Nyahas et al., (2017) stated that while the isomorphic influence directly impacts voluntary disclosure practices, its effects are partly felt through the enterprises' disclosure position. This calls attention to the mediating role of disclosure position in isomorphic influence and IR practices, which should be examined further in future research. Thus, this study employed the Institutional Theory and Gibbin's Model as theoretical underpinnings to examine isomorphic influence on IR and the disclosure position role as a mediator in this relationship. Furthermore, while studies have examined IR practices in specific developing countries (Cooray et al., 2021; Lakshan & de Villiers, 2023; Maama & Mkhize, 2020), more research is needed to establish why firms in developing countries are slow to adopt IR and what needs to be done to promote its uptake (Bananuka et al., 2019). Hence, this study aimed to address these gaps by employing a sequential mixed-methods approach to examine the influence of II on IR adoption in Sri Lanka, with a particular focus on the mediating role of disclosure position, thereby contributing to a more nuanced understanding of IR practices, in developing country contexts.

This study contributes in several ways to the knowledge and practice of IR. First, it contributes to a limited understanding of the factors that influence the adoption IR practices in developing countries. Hence, this study adds knowledge to the pool of research on the antecedents of IR practices by focusing on isomorphic influence and disclosure position. Second, there is no empirical scrutiny of the impact of isomorphic influence on the adoption of IR practice, and the mediation role of the disclosure position is examined using a sequential mixed method. Third, this study proposed isomorphic influence, integrated reporting and disclosure position as higher order reflective-formative constructs. Fourth, this study uniquely explored the impact of isomorphic influence and disclosure position on integrated reporting practices, while also examining the mediating role of IR practices which was previously unexamined in existing research. Fifth, examining the factors that influence IR practices provides insight into how to encourage more widespread IR adoption by companies.

The lines of argumentation, and the overall structure of the paper are presented in five sections. Section 1 introduces the study's notion and

poses the research questions. Section 2 discusses prior literature and the theoretical framework of the study. Section 3 describes the methodology adopted in the study. Section 4 presents and discusses the results of the study, and section 5 summarizes the contributions, limitations, practical implications and further research avenues.

LITERATURE REVIEW

Integrated Reporting in Sri Lanka

Investors can evaluate a company's value-creation capabilities based on its disclosures (Farvaque et al., 2011), historical reporting methods have left them in the dark. IR demand has expanded dramatically during the past decade. IIRC, (2013) said that IR is a better reporting approach because it created value through Six Capitals (SC): (financial, manufactures, intellectual, human, social and relationships, and natural) and eight Content Elements (CE): organizational overview and external environment, governance, business model, risks and opportunities, strategy and resource allocation, performance, outlook, and basis of presentation. IR may overcome the information asymmetry gap between enterprises and investors by supplying capital markets with value-creating information (Islam & Islam, 2018; Steyn, 2014). By evaluating IR disclosures, investors understand how organizations create value over time and invest in firms expecting more than financial information (IIRC, 2014). Thus, capital markets in emerging economies like Sri Lanka and developing economies (Bananuka et al., 2019) must rapidly and widely implement high-quality IR. Furthermore, Burcă et al., (2018) noted that shareholders and stakeholders demand annual reports from listed capital markets or international enterprises to include financial and non-financial information. Hence, Public Listed Companies (PLCs) in Sri Lanka should submit integrated annual reports to improve corporate transparency and accountability, as in an emerging economy.

However, regulatory bodies, firms and professional accounting bodies can enhance the adoption of IR practices if they are aware of the factors shaping IR practices. As a result, a few Sri Lankan studies (Gunarathne & Senaratne, 2017; Lakshan et al., 2021; Lakshan & de Villiers, 2023) have used a qualitative approach to investigate the factors influencing IR practices

using institutional theory as the theoretical underpinning. These studies found that the IR practices of PLCs in Sri Lanka are affected by coercive, mimetic and normative isomorphism. Even though previous research has contributed to understanding the relationship between isomorphic influence and IR, this understanding remains limited due to the absence of a statistically verified study. As a result, more research is needed to determine the effect of isomorphic influence on IR.

Institutional Theory

The Institutional Theory offers a comprehensive understanding of the causes of organizations' IR adoption. Hence, studies used the Theory (García-Sánchez et al., 2019; Gunarathne & Senaratne, 2017; Jensen & Berg, 2012; Lakshan et al., 2021; Lakshan & de Villiers, 2023) to understand the motivations behind IR. The core premise of the Theory is that organizational forces arising in the institutional environment influence management practices and decisions, with the impact becoming isomorphic (DiMaggio & Powell, 1983). Furthermore, organizations in the same or similar industries with similar structures and practices are known as isomorphism (DiMaggio & Powell, 1983). The Neo-institutional Theory identified three forms of isomorphisms. First, Coercive Isomorphism (CI) is dependent on resources and legitimacy. Second, Mimetic Isomorphism (MI) refers to social actors' ability to copy other social actors and is regarded as successful. Third, Normative Isomorphism (NI) relates to communal values in an institutional setting.

The Institutional Theory provides a comprehensive and nuanced perspective of organizations by explaining how they react to their socially created institutional context (Chariri, 2011). Thus, the Theory, which addresses institutional forces, is rising globally as a leading organizational analysis theory (Lounsbury, 2008). As it is more applicable to accounting studies, this Theory has led behavioral accounting studies for decades. Therefore, the Institutional Theory is a popular framework for discussing IR development (Camilleri, 2019) and IR may facilitate legitimacy in the firm's institutional environment. Thus, the Institutional Theory argues that external pressures affect firms' IR practices.

Gibbins Model

Gibbins et al.,’s (1990) Model identified characteristics affecting corporate reporting transparency. They used an empirical structure to explain and predict corporate disclosures based on related party drivers, issues, and roles. This paradigm stated that the disclosure position mediates external or internal antecedents to produce disclosure outputs. A firm’s strategic approach to any disclosure issue depends on its disclosure position, which has two dimensions: ritualism and opportunism (Gibbins et al., 1990). The same organization can have ritualism and opportunism, so the disclosure position blends with them.

Ritualism is “a propensity towards uncritical adherence to prescribed norms for the measurement and disclosure of financial information” (Gibbins et al., 1990, p.130) and non-financial disclosures (Adams, 2002). Organizational culture requires underlying social behavior standards and repetitive and formalized behavioral practices (Hofstede et al., 1990; Islam, 2015). Ritualistic cultures are associated with formalized work routines (Iliya et al., 2018) and administrative rituals lead managers to be passive. Furthermore, reporting becomes normal and ritual when organization members accept it and integrate it (Chariri, 2011). Therefore, companies may disclose IR disclosures to meet with reporting rules and standardized procedures, under the ritualism disclosure position.

“Opportunism is the propensity to seek firm-specific advantage in the disclosure of financial information” (Gibbins et al., 1990, p.130) and non-financial disclosures (Adams, 1997). Thus, the opportunism disclosure position states that enterprises reveal information that benefits them (Keliwon et al., 2014; Tanner, 1992)researchers argue that firms have to adopt corporate disclosure strategies to benefit from such innovations in technology. By using the taxonomy of Williams (2008). Opportunism disclosure position can be defined as a proactive attitude towards the perceived benefits of voluntary disclosures. Firms’ senior management believes adopting IR practices creates a relative advantage over other corporate reporting practices (Robertson & Samy, 2015). Hence, companies may disclose IR disclosures with the ambition of having perceived benefits by publishing integrated reports.

Research Hypotheses Development

Isomorphic influence and integrated reporting

The Institutional Theory says institutionalized behavior's rules and frameworks garner legitimacy. Thus, to maintain legitimacy and social harmony under isomorphism actors, financial reporting narrates the tale of the company's operations and procedures (Chariri, 2011). Hence, the studies use the Institutional Theory to explore the factors affecting corporate reporting suggesting that firms should comply with the pressures that arise from the external environment (DiMaggio & Powell, 1983). Nyahas et al., (2017) studied the collective effect of the three isomorphisms (coercive, mimetic and normative) on the voluntary disclosure level and found a direct positive relationship. Moreover, isomorphic influence positively affected corporate environmental responsiveness (Colwell & Joshi, 2013). Furthermore, enterprises did not produce sustainability reports or were in the early phases when institutional pressure was low (Stubbs et al., 2013). Coercive isomorphism also affected the voluntary disclosure levels (Nyahas et al., 2017; Qu et al., 2012), financial reporting (Chariri, 2011; Jude et al., 2010) and IR practices (Lakshan et al., 2021; Lakshan & de Villiers, 2023). Mimetic isomorphism affected the voluntary disclosure level (Arshad et al., 2009; Pfarrer et al., 2005), financial reporting (Chariri, 2011; Jude et al., 2010; Teruki et al., 2018), sustainability reporting (Stubbs et al., 2013), environmental reporting (Aerts et al., 2006) and IR (Lakshan et al., 2021; Lakshan & de Villiers, 2023). Moreover, normative isomorphism affected financial reporting practices (Chariri, 2011; Jude et al., 2010), voluntary disclosure levels (Nyahas et al., 2017) and IR practice (Bananuka et al., 2019; Gunarathne & Senaratne, 2017; Lakshan et al., 2021; Lakshan & de Villiers, 2023). Thus, we reasoned that isomorphic influence encompassed the influences of all three forces (coercive, mimetic, and normative) that affected IR adoption. Therefore, the study hypothesized that,

H1: There is a significant positive relationship between isomorphic influence and the IR practice

Isomorphic influence and disclosure position

Internal and external antecedents affected corporate disclosure position (Gibbins et al., 1990; Nyahas et al., 2017; Teruki et al., 2018). Isomorphic influence is an external antecedent affecting a firm's disclosure

position. Hence, studies have focused on the relationship between the isomorphic influence and disclosure position. Isomorphic influence affected organizations' practices (DiMaggio & Powell, 1983), and disclosure position is an organizational practice that explains how organizations manage their disclosures. Hence, isomorphic influence should have an impact on disclosure position. Teruki et al., (2018) found that DP affected laws and regulations. Furthermore, Ritualism disclosure position was imposed through regulatory and legal requirements and accounting and reporting practices of the industry in which the business evolved, peer groups, and competitors (Zmud et al., 2010). The ritual concerns of financial reporting practices complied with the beliefs and norms that were socially imposed and adhered to governing regulations (Chariri, 2011). These conclusions were supported by the impact of isomorphic influence on disclosure position. Furthermore, Nyahas et al. (2017) identified a significant relationship between isomorphic influence and the voluntary disclosure level. They concluded that disclosure position was a reflection of the way organizations respond to external environmental factors. Therefore, the study hypothesized that,

H2: There is a significant positive relationship between isomorphic influence and the disclosure position

Disclosure position and integrated reporting

Companies with different disclosure positions have different corporate reporting behaviors, and, as a result, the extent and quality of corporate reporting vary (Xiao, 1995). Gibbins et al., (1990) showed a relationship between the disclosure position and corporate reporting. After that, studies (Adams, 1997; Iliya et al., 2018; Tanner, 1992) had emphasize this relationship further. These studies tested the relationship between disclosure position and corporate reporting by considering two dimensions (ritualism and opportunism) separately. However, Nyahas et al., (2017) evaluated the association between disclosure position and voluntary disclosure level and observed a positive relationship between disclosure position and voluntary disclosure levels, in keeping with the original model of (Gibbins et al., 1990). The relationship between ritualistic disclosure position and corporate reporting practices was discussed by empirical studies such as Adams, (1997); Aerts, (2001); Iliya et al., (2018); Tanner, (1992); Teruki et al., (2018); ElKelish & Hassan, (2014) and proved the existing relationship

between ritualism disclosure position and corporate reporting practices. Moreover, the relationship between opportunism disclosure position and corporate reporting practices was discussed by empirical studies (Adams, 1997; Gibbins et al., 1990; Iliya et al., 2018; Robertson & Samy, 2015; Stubbs et al., 2013; Tanner, 1992; Teruki et al., 2018) which identified the impact of opportunistic disclosure position on corporate reporting. Furthermore, studies such as Bananuka et al., (2019), Robertson and Samy, (2015), and Steyn, (2014) discussed the application of IR practices to have a specific advantage. In addition, Stubbs et al., (2013) found that when firms did not detect any benefits from sustainability reporting, they did not exercise sustainability reporting. Therefore, the study hypothesized that,

H3: There is a significant positive relationship between disclosure position and IR practice

The mediating role of the disclosure position

The findings of previous studies on the effects of isomorphic influence on firms' corporate reporting practices are mixed. For example, studies revealed that isomorphic influence had a significant and positive effect on firms' corporate reporting practices (Arshad et al., 2009; Bebbington et al., 2009; Nyahas et al., 2017), while others found that it was insignificant (Pfarrer et al., 2005). This may be because corporate reporting is a process that requires the active participation of managers (Bananuka et al., 2019; Samans & Nelson, 2022) and, hence, provided sufficient explanation from both internal and external viewpoints of the relationship between the isomorphic influence and voluntary disclosures. As a result, while isomorphic influences had a direct impact on voluntary disclosure, their effects were felt in part through how organizations responded to corporate disclosures (Nyahas et al., 2017). Furthermore, disclosure position's emergence, opportunism, and ritualism reflected various internal and external antecedents (Gibbins et al., 1990). Hence, it is essential to test the mediating effect of the disclosure position on this relationship (Nyahas et al., 2017). Furthermore, Nyahas et al., (2017) found that disclosure position significantly mediated the relationship between isomorphic influence and voluntary disclosure level. This implied that if disclosure position mediated the relationship between isomorphic influence and voluntary disclosure, it was highly probable that disclosure position could mediate the relationship between isomorphic influence and IR. In this study, the following hypothesis was proposed.

H4: Disclosure position mediates the relationship between the isomorphic influence and the IR practice.

METHODOLOGY

Research Design, Population and Sample

This cross-sectional study employed an explanatory sequential mixed design. PLCs with IR practitioners were the foundation for the empirical inquiry. The hypothesis presented in Section 2.4 was verified by getting firsthand knowledge from officers in charge of PLCs' IR practices in Sri Lanka. To be included in the population, the PLC must either create an integrated annual report or offer sufficient evidence of its participation in sustainability reporting. PLCs that engaged in sustainability reporting were included in the population since they were regarded as the first step towards IR (Guthrie et al., 2017). The study population consisted of 168 PLCs, and a whole-population sampling approach was used.

Questionnaire development, interview design and data collection

A thorough review of the literature on the study's constructs, isomorphic influence, disclosure position, and IR practice, resulted in the creation of a self-administered questionnaire used to collect data from IR-responsible officers from the PLCs. Questionnaires were distributed to study participants via email and LinkedIn using Google Forms. Follow-up was conducted after three to four weeks to remind non-respondents. After five months, 129 out of 166 surveys were returned. Of the 129, 80% were men, and more than 88% had a bachelor's degree, a postgraduate degree, a doctorate, and membership in one or more professional accounting organizations. All responders held top-level positions.

In light of the potential drawbacks of missing data analysis, this study implemented measures to minimize missing data. De Leeuw, (2001) stated that databases lacking data can be impacted by computer-assisted survey methods. As previously mentioned, A computer-assisted self-administered questionnaire (Google Forms) was also employed to gather data from the respondents in this study, as previously mentioned. To ensure that no

questions were accidentally left unanswered, all Likert scale questions designated as “required.” This made it mandatory for respondents to complete the questions. That is why they needed to complete all the questions in the preceding section before moving on to the next. There were no missing values in the surveys due to this preventative measure. Only three respondents were excluded from subsequent analyses because of the results of the univariate and multivariate tests.

In addition, various preventive measures were taken to reduce the common method bias. Therefore, both primary and secondary data were utilized to measure IR constructions (Rodríguez-Ardura & Meseguer-Artola, 2020). Additionally, this study made an effort to reduce method bias through the item characteristics (Podsakoff et al., 2003) such as being phrased clearly, succinctly, and accurately. Even though the study used a similar scale (7 points Likert scale) to measure endogenous and exogenous variables, it used different scale anchors, such as “very high to very low” to measure IR practice and “strongly disagree vs. strongly agree” to prevent social desirability bias. All respondents were guaranteed anonymity and secrecy (Podsakoff et al., 2003). Moreover, Harman’s single factor test (1976) used as a post-doc methodology was employed to evaluate common method bias. This study’s non-response bias was evaluated by comparing the early and late replies.

To obtain qualitative data to further elaborate on quantitative data, ten semi-structured interviews were held with the responsible officers of IR practitioners from the PLCs that had either applied for or received the IR awards of the Institute of Chartered Accountants of Sri Lanka (ICASL) and The Institute of Certified Management Accountants of Sri Lanka (CMASL). Every officer had more than six years of expertise in internal relations. The quantitative findings of this study and earlier research were used to design the interview protocol. Every interview was conducted virtually and lasted between 35 and 85 minutes.

Nature and measurement of the constructs

An intensive literature review and confirmatory tetrad analysis confirmed the reflective and formative nature of the constructs, and all three were identified as reflective-formative Higher-Order Constructs (HOC). All Lower-Order Constructs (LOCs), Coercive Isomorphism (CI), Mimetic

Isomorphism (MI), Normative Isomorphism (NI), Opportunism Disclosure Position (ODP), Ritualism Disclosure Position (RDP), Content Elements (CE), and Six Capitals (SC) are reflective, and HOCs, namely Isomorphic Influence (II,) Disclosure Position (DP), and Integrated Reporting (IR) are formative.

Prior studies have used the IR disclosure index to measure IR practice (Abeywardana, 2016; Ahmed Haji & Anifowose, 2016; Albertini, 2018; Kılıç & Kuzey, 2018; Liu et al., 2018; Wild & van Staden, 2013; Zhou et al., 2017). In this study, the IR disclosure indices of the studies mentioned above and the IIRF were converted into statements in which respondents indicated each item's degree of disclosure level. The same method was used recently by (Abeywardana et al., 2022) to measure IR practice through the disclosure indices in previous studies. The respondents were asked to determine the level of disclosure of the items in the annual reports on a seven-point Likert scale, where 1= “Very Low” and 7= “Very High.” The researcher intended to develop 12 items for the CE dimension and six items for the SC dimensions and the details of each item were given separately. Measurement items for the II and DP were adopted, adapted, and developed based on prior studies. The respondents were asked to determine the level of agreement or disagreement with the statements developed to reflect the II and DP on a seven-point Likert-type scale, where 1= “strongly disagree” and 7= “strongly agree”. The researcher used six items for each dimension of the II and DP. The developed questionnaire was sent to four IR-expert chartered accountants and three academics for feedback to guarantee face and content validity. They provided feedback on whether the items were clear and measured what we intended. Their comments were incorporated into the questionnaire. The extensive literature review conducted in this study also confirmed face validity. The measuring model assessment ensured the study's construct validity and a pilot study was conducted to refine the questionnaire. The Cronbach's alpha values were reported as, 0.839, 0.708, 0.804, 0.719, 0.761, 0.714, 0.722, 0.897, 0.843 and 0.825 for II, CI, MI, NI, DP, ODP, RDP, IR, CE and SC respectively.

Data Analysis Method

Partial Least Squares Structural Equation Modelling (PLS-SEM) was used to measure and assess the model and test the hypotheses. PLS-SEM

was better suited to this study than covariance-based SEM for three reasons. First, this study included 126 individuals, and PLS was appropriate for a small sample (Hair et al., 2011). Second, this study investigated a complex model comprising of three multidimensional reflective-formative higher-order components. PLS-SEM is an appropriate method for analyzing complicated models and is effective with reflective-formative measurement models (Hair et al., 2017). Third, PLS-SEM does not require a strong theory, can be used for theory creation and prediction, and is suitable for the early stages of theoretical development (Hair et al., 2017). Strong theories do not support the IR and DP constructs. Hence, the quantitative data were analyzed using SPSS and SMART PLS software, while the qualitative data were examined using deductive content analysis.

RESULTS AND DISCUSSION

Exploratory Factor Analysis (EFA)

The EFA results validated the multidimensional structure of the components. The adequacy of the samples was verified by assessing the KMO values, which were found to be 0.748, 0.741, and 0.919 for the II, DP, and IR constructs, respectively. Additionally, Bartlett's test yielded significant results for all constructs. The cumulative proportion of total variation described by the three components of II, two factors of DP, and two factors of IR were 62.9%, 61.1%, and 68.6%, respectively. All of these factors had eigenvalues greater than one. CI1, CI2, MI4, NI3, and NI5 from II, ODP1, ODP5, RDP5, and RDP6 from the DP construct and CE2 and CE3 from IR were eliminated after multiple iterations.

Measurement model assessment

This study employed the partial least squares (PLS) algorithm to evaluate the measurement model. Due to the reflecting-formative nature of all three HOCs, separate assessments were conducted for both reflective and formative measuring models.

The reflective measurements were through internal consistency reliability, indicator reliability, convergent validity, and discriminant validity. Internal consistency was assessed using composite reliability (CR), and

all items reported a CR value higher than 0.7 (Hair et al., 2011) (Table I). More than 0.6 (Hair et al., 2011) item loading values (Figure 1) indicated indicator reliability (figure 1). The Average Variance Extracted (AVE) for all constructs reached a minimum level (Hair et al., 2011) of 0.5. Thus, this study met the convergent validity criteria (Table 1). Discriminant validity established heterotrait-monotrait (HTMT) ratios lower than 0.85 (Hair et al., 2011), as shown in Table 2.

Table 1: Internal Consistency Reliability and Convergent Validity

Construct	Cronbach's Alpha	CR	AVE
CE	0.916	0.93	0.572
CI	0.846	0.897	0.687
MI	0.812	0.87	0.574
NI	0.835	0.89	0.669
ODP	0.744	0.836	0.565
RDP	0.826	0.885	0.658
SC	0.853	0.901	0.694

(Source: Author compiled)

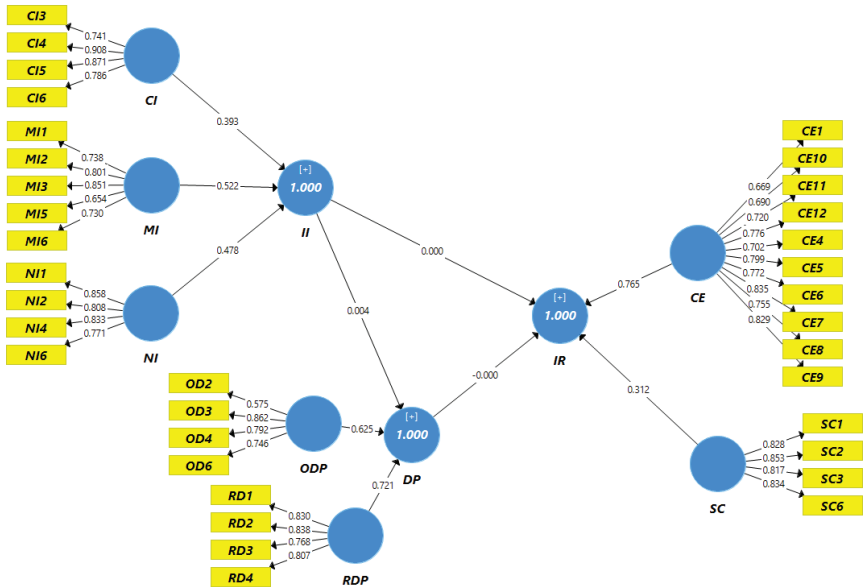


Figure 1: Measurement Model Under Indicator Approach

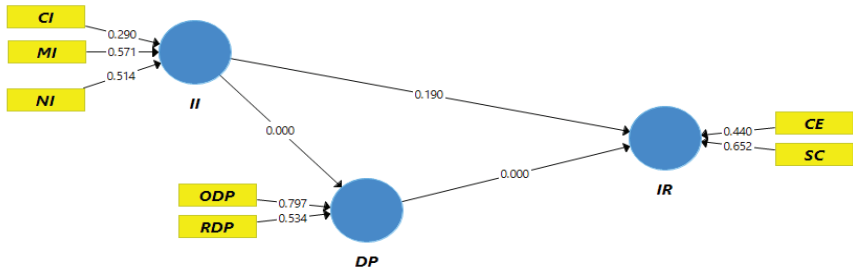
(Source: Author compiled)

Table 2: HTML Criterion for Discriminant Validity

	CE	CI	MI	NI	ODP	RDP
CI	0.433					
MI	0.571	0.29				
NI	0.555	0.341	0.315			
ODP	0.559	0.441	0.425	0.494		
RDP	0.412	0.152	0.506	0.418	0.189	
SC	0.738	0.542	0.672	0.57	0.68	0.344

(Source: Author compiled)

Using a measurement model under two-stage conditions, formative measurements were assessed through multicollinearity and the significance of outer weights (Figure 2). The results confirmed the absence of multicollinearity issues (Table 3) through tolerance and VIF values less than the threshold values of two and five, respectively (Hair et al., 2017). The significance and relevance of the indicators were assessed using outer weights (Table 3).

**Figure 2: Two-stage Model**

(Source: Author compiled)

Table 3: Collinearity Statistics and Outer Weights

		Tolerance	VIF	Outer weights
II	CI	.883	1.133	0.29***
	MI	.904	1.106	0.571***
	NI	.879	1.138	0.574***

		Tolerance	VIF	Outer weights
DP	ODP	.998	1.002	0.797***
	RDP	.998	1.002	0.534***
IR	CE	.514	1.945	0.44***
	SC	.514	1.945	0.652***

(Source: Author compiled)
Notes: *** represent significance at the 0.001 based on the one tailed test.

Structural model assessment

The results of the structural model are shown in Figure 3. A standardized root means square residual (SRMR) value of 0.00, which was less than the threshold value of 0.08, confirmed the model fit. The structural model was assessed using R² and Q². As shown in Table 4 and Figure 3, II explained 40% of the variance in the DP. More importantly, approximately 55.6% of the IR variation could be collectively explained by II and DP. Q² value greater than 0 confirmed the predictive relevance of the model.

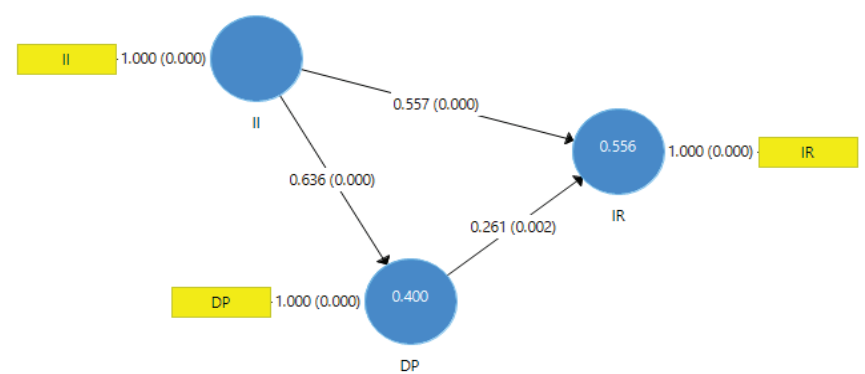


Figure 3: Structural model
(Source: Author compiled)

Table 4: R2 and Q2 values

	R ²	SSO	SSE	Q ² (=1-SSE/SSO)
DP	0.400	252	199.255	0.209
II	0.556	378	378	
IR		252	130.16	0.483

(Source: Author compiled)

Hypothesis Testing and Discussion

Isomorphic influence and integrated reporting

H1 was tested to evaluate the impact of II on IR. As shown in Figure 3 and Table 5, the path coefficient from II to IR is 0.556, and the p-value of 0.000 implied a significant positive relationship between II and IR. This finding was consistent with the theoretical expectations of Institutional Theory and empirical studies. This result confirmed that IR was an institutional practice affected by institutional forces (Chariri, 2011). According to Gunarathne et al., (2020), institutional forces were concerned with environmental management practices, environmental management accounting, and social development reporting and are shaped by institutional influences (Bebbington et al., 2009). Moreover, isomorphic forces collectively affected the decision to adopt IR in Sri Lanka (Lakshan et al., 2021; Lakshan & de Villiers, 2023). Hence, II appeared to influence the decisions of PLCs regarding IR adoption or enhancement.

Furthermore, studies showed that the individual dimensions of II contribute positively to IR and other corporate reporting practices (Bananuka et al., 2019; Gunarathne & Senaratne, 2017; Lakshan et al., 2021; Lakshan & de Villiers, 2023). Figure 3 and the results of the qualitative investigation showed that, in the current context, CI, MI, and NIs were significant in constructing an II construct.

Organizations faced CI because of the formal and informal pressures exerted by other organizations, which can influence the dependability of the organization and societies' cultural expectations (DiMaggio & Powell, 1983). The findings of this study were consistent with previous research indicating that CI affects voluntary disclosures (Nyahas et al., 2017), sustainability reporting (Amran & Haniffa, 2011; Yusoff et al., 2019), IFRS adoption (Irvine, 2008; Osinubi, 2020), social development reporting (Bebbington et al., 2009) and IR (Jayasiri, 2020; Lakshan & de Villiers, 2023).

In Sri Lanka, even though the adoption of IR is not a mandatory requirement, Sri Lankan companies are moving towards IR practices because of the acts undertaken by the IIRC to diffuse IR globally by introducing IIRF. As the interviewees highlighted; "The IR framework was

helpful to us for the first-time adoption, and we studied it extensively” – IN 9. Hence, the adoption of IR practices enriched the implicit advantage of the IIRF (Navarrete-Oyarce et al., 2022) and pushed by the IIRF (Pigatto et al., 2023).

The IR Council in Sri Lanka (IRCSL) influenced the ICASL to adopt IR practices. The following extracts provided evidence of the influence of IRCSL. Hence, companies submit their annual reports to obtain technical comments from ICASL using their published materials to practice IR. “*We should send our annual reports to the IR council in SL to obtain technical comments*” – IN 1, “*The IR Council led by ICASL formed a committee for the betterment of the IR practice*” – IN 5. However, some companies mentioned that they had no influence. “*We have no influence from IRCSL, and we do not ask any assistance from them to prepare our annual reports*” – IN 8. Hence, the formal and informal actions taken by the IIRC and IR supporting organizations such as IRCSL, global reporting initiatives, the Sustainability Accounting Standard Board, the World Business Council for Sustainable Development, and Accounting for Sustainability (A4S) may influence the IR practices of organizations.

Unless regulators impose IR on a specific organization, these organizations were willing to do so mainly to boost their programs rather than supported IR (Dumay & Dai, 2017); hence, it was essential to have a force from regulators to promote IR. Public-listed companies in Sri Lanka should adhere to the rules and regulations imposed by the Colombo Stock Exchange (CSE) and the Securities Exchange Commission (SEC) in Sri Lanka. However, the CSE and SEC in Sri Lanka did not impose rules or regulations on IR and did not directly influence IR. One respondent expressed his view: “*We did not find any considerable influence of CSE or SEC on the adoption of IR*” – IN 1.

Some interviewees mentioned that shareholder pressure affected the adoption of IR practices, mainly by major shareholders, foreign investors, and parent companies. Hence, the company's primary capital providers considered it corporate reporting practices. Thus, companies' corporate reporting practices may change in response to pressure from the principal shareholders. Therefore, active shareholders inspired the adoption of IR practices (Ara, 2020; Lakshan & de Villiers, 2023). “*The influence of*

adopting IR practices mainly came from directors, who are the principal shareholders of the company” – IN 2, “If you focus on foreign investors, IR is a matter”- IN 1, “The holding company wanted to follow the IR, and the rest of the subsidiaries were given the option to follow the same” - IN 4, “Owing to the strong brand presence of the company, this idea blossomed into a requirement from the pressures of both internal stakeholders and shareholders” – IN 4. Thus, the CI of PLCs in Sri Lanka to adopt IR practices stemmed from major shareholders, parent companies, foreign investors, IRCSL, and IIRF.

In terms of MI, the results were consistent with empirical studies that found the impact of MI on sustainability reporting (Amran & Haniffa, 2011; Yusoff et al., 2019), IFRS adoption (Irvine, 2008; Osinubi, 2020), social development reporting (Bebbington et al., 2009), voluntary disclosures (Arshad et al., 2009; Pfarrer et al., 2005), and IR (Jayasiri, 2020; Lakshan et al., 2021; Lakshan & de Villiers, 2023; Wild & van Staden, 2013). Hence, organizations may imitate or copy the corporate reporting practices of organizations in the same industry or organizations recognized as leaders (Frias-Aceituno et al., 2014; Jensen & Berg, 2012; Lakshan & de Villiers, 2023; Pfarrer et al., 2005; Wild & van Staden, 2013) to gain legitimacy (Aerts et al., 2006).

The interviewees mentioned that industry peers, competitors, and annual report award winners and best practices were the motivating factors to adopt IR practice, and they encouraged the adoption of IR: *“Our industry peers, competitors, or winners of IR awards are motivated and inspired to adopt IR” – IN 3. Furthermore, the companies imitated their peers' reporting practices and the know-how they manage disclosures. Hence, companies were inclined to imitate firms that were structurally similar and successful. The following extractions provide evidence that: “We know what our peers are doing under corporate reporting practice” – IN 5, “As a listed company, we are always concerned about the best reporting practices” – IN 7. In addition, it also shows that someone wants to be a benchmark for corporate reporting practices and has a competitive advantage. Similarly, they do not want to be inferior in corporate reporting practices and need to follow the best practices. “The company’s drive to distinguish itself from others and to become a recognized corporate entity in Sri Lanka pushed us to follow this” – IN 4. “We always want to stay ahead of our peers and competitors on all the fronts” – IN 5.*

The results also confirmed the significance of MI in the IR practices of PLCs in Sri Lanka. This may be because PLCs in SL were more likely to engage in IR practices when their competitors, industry peers, and industry leaders practice IR, and they may wish to imitate the best practices of their peers, competitors, and industry leaders (Jayasiri, 2020; Lakshan et al., 2021; Lakshan & de Villiers, 2023). In the Sri Lankan context, regulatory bodies such as ICASL and SEC call for corporate transparency as a matter of IR practice, creating uncertainty regarding IR disclosure practices. Hence, investors and regulatory bodies perceived IR practices that confirmed other companies as legitimate. Consequently, organizations may follow the imitation strategy of other companies' IR disclosure practices with the ambition of gaining legitimacy from investors and regulatory bodies.

In terms of NI, this study was in line with empirical studies that found the impact of NI on voluntary disclosures (Nyahas et al., 2017; Pfarrer et al., 2005), sustainability reporting (Amran & Haniffa, 2011; Yusoff et al., 2019), IFRS adoption (Irvine, 2008; Osinubi, 2020), social development reporting (Bebbington et al., 2009), and IR (Jayasiri, 2020; Lakshan et al., 2021; Lakshan & de Villiers, 2023). The results also confirmed the significance of NI in the IR practices of PLCs in Sri Lanka. This may be due to adherence to professional norms and ethics, influence from the auditing firm, and directions given by professional accounting bodies in Sri Lanka (Jayasiri, 2020; Lakshan et al., 2021; Lakshan & de Villiers, 2023). In the Sri Lankan context, ICASL and CMA SL were the main accounting professional bodies of the country and played a significant role in the diffusion of IR across the nation. *“Professional bodies play a big role in SL to encourage the IR”*. - IN 1. Hence, they influenced the PLCs in Sri Lanka to adopt IR practices by using several methods, such as presenting integrated annual report awards and conducting workshops, seminars, forums, conferences, and training programs (Cooray et al., 2020; Gunarathne & Senaratne, 2018; Jayasiri, 2020; Lakshan & de Villiers, 2023). The following comments exemplified this perspective. *“Training, seminars, and professional networks are essential to find out the missing information, mismatches of the company reports, to find out the peers' ways of reporting and reporting trending”* - IN 3. *“We sent two employees for CA training programs on IR”* - IN 6. In addition, the ICASL issued the Preparer's Guide to Integrated Corporate Reporting in 2015 and 2017; they have published a Supplement to a Preparer's Guide to Integrated Corporate Reporting to provide guidelines

for IR adopters. *“CA Sri Lanka has already published specific guidelines on IR and the benefits of following such guidelines. We were confident that we could also publish a better annual report by practicing IR”* – IN 4. Hence, PLCs in Sri Lanka believed that employees' professionalism and qualifications also affected their IR practices.

In addition, the availability of qualified accountants and the high level of secondary and higher education in Sri Lanka (Gunarathne & Senaratne, 2018) also affected the adoption or enhancement of IR in PLCs in Sri Lanka. The following conclusion supported this hypothesis. *“Employees' professional qualifications are essential to find out the correct way to adapt company information helpfully, and it is beneficial to collect, analyze, amalgamate, and prepare a conscious report”* - IN 4.

Moreover, annual report preparation companies, consulting firms, and assurance providers also cultivated an environment favorable to the adoption of IR (Gunarathne & Senaratne, 2018; Lakshan et al., 2021; Lakshan & de Villiers, 2023). *“Owing to the novelty of the concept, we had to rely on their judgment and articulate the entire disclosure requirement as per external consultants' advice”* – IN 4, *“We obtained the service of an annual report designing company, and they proposed that we adopt IR practices to comply with the global trend”* - IN 10.

Isomorphic influence, disclosure position and integrated reporting

H2 was tested to evaluate the impact of isomorphic influence on disclosure position. As shown in Figure 3 and Table 5, the path coefficient from isomorphic influence to disclosure position was 0.632, and p-value was 0.000, implying a significant positive relationship between isomorphic influence and disclosure position. This finding is consistent with the theoretical expectations and results of the empirical studies. The results of this study aligned with the model proposed by Gibbins et al., (1990) and the findings of Nyahas et al., (2017). They named the disclosure position as culture in their study and identified a positive relationship between isomorphic influence and disclosure position. Teruki et al., (2018) determined the impact of laws and regulations on the disclosure position. Furthermore, the way PLCs in SL managed their corporate reporting practices was affected by isomorphic influence. This may be due

to the externally imposed rules and regulations and the need to adhere to, imitation of other firms' management practices in corporate reporting, or professionalism.

H3 tested the effect of disclosure position on IR. As shown in Figures 3 and Table 6 the path coefficient from disclosure position to isomorphic influence was 0.261, and p-value was 0.006 implying a significant positive relationship between disclosure position and IR. This finding is consistent with the theoretical expectations and results of the empirical studies. The findings of this study aligned with those of Gibbins et al., (1990) and the findings of Nyahas et al., (2017). As shown in Figure 3, the opportunism disclosure position and ritualism disclosure position were significant in forming a disclosure position under the given context.

Opportunism disclosure position affected the content of firms' corporate reporting (Adams, 1997), financial disclosure levels (Teruki et al., 2018) and variation in voluntary disclosure levels (Iliya et al., 2018). Furthermore, studies such as Bananuka et al., (2019), O'Dwyer, (2002), Robertson & Samy, (2015), Steyn, (2014), Stubbs et al., (2013), Tanner, (1992) had identified that the adoption of voluntary reporting practices and IR practices dependent on the perceived benefits of corporate practices which are highlighted in the definition of opportunism disclosure position. The results of this study also confirmed the significance of opportunism disclosure position in the IR practices of PLCs in Sri Lanka.

Firms have adopted IR practices to obtain specific advantages. "*One of the benefits of publishing well-IR is branding*"- IN 1, They believed that the adoption of IR will improve their reputation. Therefore, disclosure through IR practices enhanced corporate reputation (Ara, 2020; Hoque, 2017; Steyn, 2014), corporate image (Navarrete-Oyarce et al., 2022) and became a marketing tool for businesses. "*We believe that the adoption of IR will enhance our reputation*" – IN 10, "*The company wanted to capitalize on the brand and marketing aspect of IR and benefitted by doing so*" – IN 3. Furthermore, they believed that IR adoption would enhance transparency and accountability (Ara & Harani, 2020; Sciulli & Adhariani, 2021). "*This is the best way that we can show our corporate transparency*" – IN 8. Moreover, the management discretion on voluntary disclosure decisions of the firm and their on-time responses to statutory requirements and environmental

changes also highlighted the existence of opportunism disclosure position in firms. *“We can discuss the disclosures with our board of directors and provide reasonable suggestions”* – IN 5, *“They are practicing comprehensive processes and procedures related to reporting and updating as per changes in statutory requirements and the environment”* – IN 7.

It was found that ritualism disclosure position also existed in their organizations. Ritualistic culture considered the underlying rules of social behaviour as necessary for organizational culture (Hofstede et al., 1990) and repetitive and formalized behavioural practices (Islam, 2015). Thus, formalized work processes can be synonymous with ritualistic cultures (Iliya et al., 2018). Interviewees also provided evidence for these statements. *“We have a formalized procedure for IR, and we cannot publish any disclosures without the consent of our board of directors”* – IN 1, *“There are some disclosures are coming from mandatory legal requirements”* – IN 2, *“There are some repetitive disclosures we cannot change”* – IN 4.

Owing to the voluntary nature of IR in the Sri Lankan context, PLCs in SL adopted IR practices to obtain specific advantages, and management was given considerable discretion in determining the disclosures to be provided in an integrated report, which resulted in high variability in the IR detection scores of individual companies in Sri Lanka (Cooray et al., 2020). Moreover, some disclosures followed a ritualistic culture.

The mediating role of the disclosure position

Mediation analysis was performed to test whether disclosure position mediated the relationship between isomorphic influence and IR. This relationship signifies H4. The model was tested with disclosure position as the mediating variable to test the mediation effect of disclosure position on IR, as depicted in Figure 3. Table 6 presents the direct and indirect effects of isomorphic influence and IR. The indirect effect was assured based on significant path coefficients ($b=0.166$, $t=2.755$, $p=0.006$) with an acceptable range of bias-corrected confidence intervals (lower = 0.053 and upper = 0.287). These results empirically supported the mediating role in the relationship between isomorphic influence and IR.

Table 5: Hypotheses Testing

	Path coefficients	T Statistics (O/STDEV)	P Values	2.50%	97.50%
DP -> IR	0.261	2.846	0.004	0.08	0.441
II -> DP	0.636	10.414	0	0.502	0.741
II -> IR	0.557	7.284	0	0.397	0.702

(Source: Author compiled)

Table 6: Direct and Indirect Effects

	Direct Effect	95% CI of the direct effect	t-value	Significance (p<0.05)	Indirect Effect	95% CI of the indirect effect	t-value	Significance (p<0.05)
II -> IR	0.557	(0.397, 0.702)	7.248	Yes	0.166	(0.053, 0.287)	2.755	Yes

(Source: Author compiled)

The results support Nyahas et al., (2017), who found that disclosure position partially mediated isomorphic influence and voluntary corporate reporting and that institutional forces influenced managerial decision-making to initiate social development reporting (Bebbington et al., 2009). Hence, the effect on corporate reporting may also arise through managerial practices and mediation may exist because the disclosure position reflects how it is likely to respond to institutional pressures. Therefore, this result supported the Institutional Theory (DiMaggio & Powell, 1983) and found that isomorphic influence that stemmed from coercive, mimetic, and normative played a prominent role in fostering IR.

CONCLUSION

Over the past few years, existing studies have focused on isomorphic influence, which affected IR practices mostly in qualitative approaches and in developed countries, leaving out developing countries and quantitative methods. Therefore, this study employed quantitative methods and primary data from a developing economy to assess the impact of isomorphic influence on IR adoption and the mediating role of disclosure position. The findings and discussion elaborated that isomorphic influence significantly and positively influenced IR practice, and the disclosure position partially mediated the relationship between isomorphic influence and IR practice.

This study has not been free of limitations, which opens the door for future research. First, the research framework of this study empirically provides evidence of the factors affecting IR practices in developing countries such as Sri Lanka. It can be accepted that developing countries are different from developed and underdeveloped countries due to various reasons such as the nature of the economy, level of technology, cultural characteristics, and quality of human resources. Therefore, the applicability of the results of this study may have been significantly affected by these differences. Future researchers can address this limitation by replicating the study framework in various contexts, such as developing or underdeveloped countries, which will undoubtedly improve the generalizability of the results. Furthermore, comparative studies can help to understand how IR is performed in different contexts. Second, this study identified the factors that affected IR based on the theoretical and empirical foundations developed in Section 2. However, it was evident that some other factors influenced IR practice not encountered in the current study. Therefore, factors such as managerial attitudes, cultural factors, and internal politics, which were not examined in this study, should be tested in future research. Despite these limitations, this study contributes to the IR discussion and offers several implications and recommendations.

This is the first quantitative study based on primary data on the relationship between isomorphic influence, disclosure position, and IR, using a questionnaire as the data collection method. Hence, the measures consisted of both adapted and developed measures and their reliability and validity were assessed through an appropriate methodological process. Thus, studies that used isomorphic influence, disclosure position, and IR as their constructs could use this validated questionnaire. This study contributes to the literature by validating the relationships proposed in the conceptual framework, namely, the link between isomorphic influence and IR, isomorphic influence and disclosure position, disclosure position and IR, and the mediation role of disclosure position. The study provides a strong foundation for selecting institutional theory and its isomorphism mechanisms (coercive, mimetic, normative) as a suitable theoretical framework for explaining determinants of IR adoption. Therefore, this study reinforced the Institutional Theory and the Gibbins model.

The absence of CSE and SEC influences the creation of institutional void. Hence, this institutional void had a negative effect on the diffusion of IR practices in Sri Lanka, and they should act individually or collectively to mitigate this negative impact. Hence, the regulatory bodies in Sri Lanka mainly, need to do more to enhance integrated reporting practices among public listed companies than they currently do. This intervention may motivate the companies to adopt and enhance the integrated reporting practices. This intervention may motivate the companies to adopt and enhance integrated reporting practices.

The findings of the study can be used by the public listed companies who have the intention to begin integrated reporting practices and who already practice but who need to enhance their integrated reporting practices to identify the conditions that favor the adoption and enhancement of integrated reporting practice.

This study found that companies imitated and were aware of their peers, competitors, industry leaders, and IR award-winning companies' corporate reporting practices. Hence, Professional Accounting Bodies (PAB) should create a platform to share the knowledge, experiences, and best practices of IR award-winning companies and those that have successfully engaged in IR. Companies are thinking of starting IR practices and want to enhance existing IR practices. To ensure that members of PABs are updated and aware of the IR framework and its recent developments, PABs should continuously amend their curricula by adopting IR and its recent developments. Furthermore, universities and other higher education institutions should include IR concepts in their accounting and finance curricula. In addition, they should conduct training programs, awareness programs, forum discussions, seminars, webinars, and conferences and should conduct more publications on IR continuously to raise awareness and update the knowledge on IR of members of those PABs and officers who are involved in the IR preparation process.

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APPENDIX A

Measurement Items

Construct (LOC)	Measurement Indicator	Reference
Content Elements (CE)	Organization's overview and external environment	CE1
	Significant factors affecting from the external environment	CE2
	Key stakeholders and nature, and quality of the organization's relationships with them	CE3
	The way that the organization's governance structure supports its ability to create value	CE4
	Business model of the organization	CE5
	The risks and opportunities that affect the organization's ability to create value	CE6
	Short, medium- and long-term strategic objectives	CE7
	Qualitative and quantitative information about the performance on organization's strategic objectives	CE8
	Outcomes in terms of the effects of the six capitals	CE9
	Challenges and uncertainties that likely to encounter in pursuing company's strategy	CE10
	Potential implications for the company's business model and future performance	CE11
	The way that the organization determine, evaluate, and quantify the disclosure matters	CE12

(Abeywardana et al., 2022; Albertini, 2018; IIRC, 2013; Kılıç & Kuzey, 2018; Liu et al., 2018; Zhou et al., 2017)

Construct (LOC)	Measurement Indicator	Reference
Six Capitals (SC)	Disclosure of monetized/numeric indicators/outcomes for each six capitals	SC1
	Disclosure of non-monetized indicators/outcomes for each six capitals	SC2
	Disclosure of consistent, comparable targets/benchmarks on monetized/numeric indicators/outcomes and non-monetized indicators/outcomes for each six capital	SC3
	Explanations on changes in the indicators/outcomes of each six capitals over the past years	SC4
	Explanations and rationale for selecting six capitals, their outcomes, and materiality	SC5
	Graphics, charts, pictures, etc. to depict the six and value creation for those capitals	SC6
Conceive Influence (CI)	guidelines provided by the Colombo Stock Exchange of Sri Lanka	CI1
	guidelines provided by the Securities Exchange Commission of Sri Lanka	CI2
	provided by the IR council of Sri Lanka	CI3
	The shareholders pressure to adopt IR	CI4
	Stakeholder pressure to adopt IR	CI5
	Encouragement from International IR framework	CI6
Mimetic Influence (MI)	follow industry leaders' corporate reporting practices	MI1
	imitate industry peers' corporate reporting practices	MI2
	Benchmark competitors' corporate reporting practices	MI3
	wish to implement corporate reporting procedures better than others	MI4
	to comply with the national and global trend of corporate reporting practices	MI5
	Encouragements from winners of IR awards to adopt IR practice	MI6

Construct (LOC)	Measurement Indicator		Reference
Normative Influence (NI)	encourage staff to adhere to professional codes of ethics	NI1	(Bananuka et al., 2019a; Bebbington et al., 2009; Bebbington & Gibassier, 2014; Bhimani et al., 2016; Nyahas et al., 2017; Lakshan & de Villiers, 2023; Tournon, 2005)
	consider the professional qualification in recruitment policy	NI2	
	participate to the annual reports' awards ceremonies	NI3	
	believe IR is the right thing to do	NI4	
	auditing firm influences	NI5	
	Encouragements from the directions given by the professional accounting bodies	NI6	
Opportunism Disclosure Position (ODP)	encourage employees to experiment with new ways of doing things	ODP1	(Gibbins et al., 1990; Hofstede et al., 1990; Iliya et al., 2018; Nyahas et al., 2017)
	less formalized corporate reporting procedure	ODP2	
	facilitate managers to have the discretion to decide which information to be disclosed	ODP3	
	change our disclosure policies to meet up with contemporary environmental challenges	ODP4	
	obtain benefit from adopting IR practice	ODP4	
	evaluate the cost/benefit of disclosure before disclosing information when it is not mandatorily required	ODP5	
Ritualism Disclosure Position (RDP)	has formal way of doing things that employees must follow	RDP1	(Gibbins et al., 1990; Iliya et al., 2018; Nyahas et al., 2017)
	has a hierarchy of information flow that must be adhered	RDP2	
	conduct formal induction training for new employees	RDP3	
	follow written documents when disclosing information not required by IFRS/SLFRS	RDP4	
	place much emphasis on procedures rather than results	RDP4	
	has a repetitive corporate disclosure procedure	RDP5	