A Comprehensive Literature Review on Web-based Dissemination of Corporate Information

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Abstract

This study examines various studies conducted worldwide over the last two decades on internet-based dissemination of corporate financial and non-financial information. Various studies are used to review the impact of web-based reporting practises on various factors such as firm size and age, profitability, leverage, nature, extent of information, and ownership spread. A total of 150 research papers were downloaded for the purpose of literature review. To find out the results different disclosure indexes were made by the researchers by assigning scores to selected variables. Except for a few studies, the majority of them used secondary method to collect data from various companies listed on the relevant exchanges. Various techniques were used for analysis, but the most common were multiple regression analysis, correlation analysis, and descriptive analysis. The major findings of this study show that disclosing corporate information on a company's website increases transparency about the company, enhances the value of the firm, and multiplies earnings through better perception of various stakeholders.

Keywords: Web-based Reporting, Value of Firm, Internet Disclosure, Corporate Information, Systematic Review, Corporate Online Reporting.

Introduction

In this modern era of globalization, use of internet has become a new platform for dissemination of corporate information is rapidly growing phenomenon. Corporate information includes records related to historical, financial and non-financial data. Over the years due to immense development in information technology web-based corporate disclosure has gained popularity. The new form of web-based disclosure has compelled to face lots of challenges to the companies, different regulatory bodies, IT experts, accounting and cost experts who are mainly responsible for providing relevant information. The first study for systematically examination of nature and extent of corporate reporting through websites indicated that the companies which adopt web-based disclosure system are more profitable and larger in size in comparison of the companies which still follows traditional paper-based method for disclosing the corporate information (Ashbaugh et al., 1999).

Internet has become an essential part of our life and also a mandatory part for the companies in the whole world as it helps the companies to provide information within and outside the organization to its stakeholders. Companies share news and other relevant information related to day to day activities. The company which discloses its information through internet is considered to be more transparent and trusted by the public. These companies get high value in the market and the price of shares becomes high as the investors are ready to pay premium on such shares. With the enforcement of Right to Information Act, (RTI) 2005 it became compulsory for every organization including corporate to display a certain amount of information on their websites for the sake of stakeholders. In the present scenario Indian Accounting Standards (Ind. AS) and Ministry of Corporate Affairs (MCA) have issued different guidelines to disclose every important information through web (Seema, 2019).

There are several provisions of Companies Act, 2013 and Income Tax Act,1961, Indian Accounting Standards Board (IASB), Institute of Charted Accountant of India (ICAI) and International Financial Reporting Standards (IFRS) regarding application of corporate reporting. Listed companies are required to publish unaudited quarterly financial statements and along with these statements, segment wise financial statements have to submit with stock exchange. Initially, the focus was only on reporting financial information but now in modern era of globalization and liberalization it has become mandatory for each organization to report non-financial information too (Walia,2016).

Review of Literature

A numerous studies have been done in India as well as abroad based on the corporate internet-based disclosure practices. A comprehensive analysis of the existing empirical literature has been done for the current study. The literature was found using a variety of keywords, including "corporate," "disclosure," "web-based disclosure," "online reporting," "dissemination of corporate information," "web-based corporate reporting methods," "corporate information through the internet," and "perception of stakeholders." We looked at articles from different libraries and search engines, including Google Scholar, Wiley, Emerald, and Research Gate. To gather information, a variety of studies that have already been completed in the context of web-based disclosure practises used by various organisations in various nations were investigated. A thorough analysis of studies from the past two decades on Web-based corporate information dissemination is performed in terms of important measures viz. author of the study, the area of study, objective of research, sample size, the tools and techniques of analysis and the major findings of the study as presented below in the form of a table:

Table 1: A Comprehensive Literature Review on Web-based Corporate Disclosure Practices

Author	Country	Sample description	Analytical Techniques	Objective of the Study	Findings
Rahmisyari, R. (2022)	Indonesia	Total sample size of 29 banks were selected by purposive sampling method from population of 43 banking companies during 2021	Descriptive statistical analysis and panel data regression test	To determine the impact of internet financial reporting on stock returns and trading volume.	Results of the study mainly exhibits that internet financial reporting has a positive but insignificant effect on stock returns and also on volume of stock trading.
Parasetya et al. (2022)	Indonesia	43 financial companies in banking sector during 2020	Multiple regression analysis	To examine the impact of corporate web based reporting level on value of firm	Concluded that the level of stock information disclosure through internet has a positive effect on the value of firm
Kaawaase et al. (2021)	Uganda	Data collection was done between March 2019 to August 2019 of 62 financial institutions regulated by Bank of Uganda and Insurance Regulatory Authority	Correlation and regression analysis	To analyse the relationship between corporate governance attributes, internal audit quality and financial reporting quality of financial institutions	The study concluded that board expertise, board role performance and internal audit quality are significantly associated with financial reporting quality while board independence is not a significant predictor of financial reporting quality.
Tasios et al. (2021)	Greece	Sample of 40 non-financial companies listed on the ASE during the period from June to August 2020	Multiple regression analysis	examined the extent, factors affecting the extent and quality of corporate disclosure through websites during COVID-19 pandemic	Study indicated that the firms which are more profitable, larger in size and with more board members disclosed more information on their websites.
Lombardi, R. and Secundo (2021)	Italy	43 Scopus database publications were analysed	Descriptive and cluster analysis	To present a systematic literature review of	Results concluded that digital technologies plays a vital role in

				organisations disclosure process and digital technologies	stakeholder engagement, accountability, transparency and management of earnings
Xiang and Birt (2020)	Australia	200 publicly traded Australian companies listed on Australian Securities Exchange in December 2017	Correlation and regression analysis	conducted a study and examined the extent of financial and non-financial information and social media strategy associated with internet reporting	Study exhibits that internet reporting is associated with firm size and financial performance while no association found with percentage of independent board members
Sandhu and Singh (2019)	India	Study sample consisted 140 Indian companies listed on Bombay Stock Exchange 200 index during 2015	Regression analysis	to investigate the impact of board composition on the level of corporate internet reporting (CIR) practices	Findings reveals that larger boards with less family members, larger firms with less use of debt and audit committees that meets more frequently tend to display more information on their websites
Madhani (2019)	India	Annual reports of 54 firms listed on Bombay Stock Exchange during financial year 2011-2012	Content analysis	investigated the relationship between board characteristics including board size and board composition, corporate governance and disclosure practices of firms listed in the Bombay Stock Exchange (BSE)	no statistically difference between the corporate governance and disclosure scores of firms with higher proportion of independent directors and firms with lower proportion of independent directors
Yassin, M. M. (2019)	Jordan	173 Jordanian public shareholding companies listed on Amman Stock	Ordinary least square regression model	To test the efficiency of internet financial reporting(IFR) on the	It was concluded that expected stock returns can be estimated with the help of IFR. Also the IFR companies

		Exchange at the end of 2017		expected stock returns	are more profitable than non-IFR companies.
Zadeh et al. (2018)	Iran	301 companies listed on the Tehran Stock Exchange in 2015	Regression analysis	To investigate the impact of ratio of non-executive members, financial leverage, size of firm , duality of tasks of chief executive officer and life of firm on internet financial reporting.	Size, financial leverage, liquidity and life of firm are positively while ratio of non-executive members are negatively associated with internet financial reporting.
Mitra et al. (2017)	Banglades h	Data collection was done from February to April 2017 of 98 companies listed in Dhaka Stock Exchange	Content analysis	To explore the current status of web based corporate reporting practices of 98 companies listed on Dhaka Stock Exchange (DSE	The results demonstrate that the companies provide information related to company overview, products and services, career opportunities, corporate social responsibility, corporate governance and financial aspects
Soriya and Dhaigude (2016)	India	Data collection of top 74 market capitalization hotels listed on the National Stock Exchange from December 2014 to January 2015	Ordinary least square regression analysis	examined the relationship of web-based reporting with productivity, profitability, leverage, liquidity, size and age of hotels	there is significant and direct relationship between web-based reporting and size of the hotels
Alarussi, A. S. and Shamkhi (2016)	Malaysia	194 Malaysian listed companies	Multiple regression analysis	To examine the relation between internet financial disclosure on company characteristics and dominant personalities in board committees of	Level of technology, firm age, number of shareholders and listing are positively associated while dominant personalities in the audit and nomination committees are

				Malaysian listed companies	negatively associated with internet financial disclosure.
Bowrin (2015)	Michigan, USA	65 companies listed on Caribbean Stock Exchange in November 2009	Multiple regression analysis	discovered the relationship between firm characteristics and the comprehensiveness of corporate internet reporting	Concluded that company size and industry affiliation were positively related while public equity financing was significantly and negatively related with dimensions of corporate internet reporting.
Dolinsek, T. et al. (2014)	Slovenia	A sample of 209 large Slovenia companies including 25 banks collected during January 2012	Regression analysis	To determine the content and form of financial information available online as well as the factors which have an impact on the disclosure of such information	Concluded that 110 (52.6 per cent) companies publish its financial information on web site. Also company size, ownership concentration, legal form and sector of operation significantly impact the internet financial reporting.
Yusuf (2013)	Nigeria	Total 84 companies listed on the Nigerian Stock Exchange accessed in January 2013	Multiple regression analysis	explored the status of disclosing financial information of companies listed in Nigerian Stock Exchange (NSE) through internet	Concluded that only size of firm is significantly associated with level of internet financial reporting.
Gakhar (2012)	India	Data was collected from 255 respondents through questionnaires	Factor analysis	To assess the perception of various stakeholders on adequacy, usefulness and future of web-based corporate reporting	Study reveals that future prospects, usefulness of web reporting, legal acceptability, usefulness of investment decision, adequacy of information, standardization of content, substitute for traditional reporting and

					mandatory requirement describes the perception of stakeholders.
Makkar, M. R. and Malhotra, P. (2012)	India	Total 100 companies by selecting 20 companies from each five sectors namely Banking, Power, Electronic and Engineering, Consumer goods and Information technology	Linear regression analysis	To examine the impact of factors effecting the level of corporate web reporting by Indian companies	72 companies disclose more information on their website. Also firm size and liquidity significantly associated with disclosure index while profitability and leverage do not significantly associated with the index
Ali Khan et al. (2011)	Malaysia	Sample of 68 mailed questionnaires collected during the month of July to October 2008	Descriptive analysis	investigated and reported on preparer's perception of the benefits, advantages and disadvantages of internet financial reporting	Study concluded that internet financial reporting implementation benefits companies by attracting more foreign investments
Boubaker et al. (2011)	France	Sample of 529 French-listed firms between October and November 2005	descriptive analysis	To explore the various determinants of web-based corporate reporting by French listed firms	Results exhibits that large sized firms, firms with dispersed ownership structure, firms which issued bonds or equities and IT industry firms extensively used web-based corporate reporting.
Elsayed et al. (2010)	Egypt	Top 50 companies listed on Egyptian Exchange at the end of 2006	ordinary least square regression model	To investigate the impact of corporate governance and firm characteristics on the internet financial reporting	firm size and ownership diffusion are positively associated with three dependent variables (total, content and presentation), audit type and business activities types are positively associated while

					institutional ownership is negatively associated with total and content.
Aly et al. (2009)	Egypt	Data was collected of 62 firms listed in relative Exchange between October 2005 to January 2006	Ordinary least square multiple regression analysis	To explore the potential factors that may affect the level of corporate internet reporting by Egyptian listed companies	concluded that fifty six per cent Egyptian companies of study sample report a significant portion of information on their web sites.
Spanos and Mylonakis (2006)	Greece	Data of 121 companies listed on the Athens Exchange collected during July to August 2005	Descriptive statistics	to investigate the internet corporate reporting practices by Greek listed medium and small sized companies	companies mostly rely on traditional and common internet reporting practices and these companies used less internet in comparison of other developed market.
Marston and Polei (2004)	Germany	Data of 50 companies collected during July 2000	Regression Analysis	To examine the use of internet for dissemination of financial and other investment related information	concluded that size is the only significant explanatory variable for the amount of information disclosed on the companies' websites
Ettredge et al. (2002)	USA	Data of 220 firms was obtained from the Association for Investment Management and Research	Regression Analysis	To examine the dissemination of financial mandatory and voluntary information for the investors through corporate websites	Concluded that required information is significantly associated only with size while voluntary information item disclosure is associated with variables proxy for size, demand for external capital, information asymmetry .

In this study, from 2002 to 2022, a global examination of the literature from the previous two decades is conducted. Although each study's methodology was unique, they all shared the common goal of determining how web-based reporting of corporate financial and non-financial information affects a company's worth. The study of online disclosure procedures on Indonesian banking companies was carried out by Rahmisyari, 2022 and Parasetya et al., 2022. To determine the results, they both used the same regression analysis methodology. Findings indicate that internet disclosure has a favourable impact on the firm's worth. Apart from Gakhar, 2012, the majority of Indian studies (Sandhu and Singh, 2019, Madhani, 2019, Soriya and Dhaigude, 2016, Makkar and Malhotra, 2012) gathered data from secondary sources. A questionnaire was used to gather primary data in order to gauge stakeholders' opinions of the suitability and value of corporate reporting done online. The results of the factor analysis showed that reporting has a favourable impact on how stakeholders make decisions. In their analysis of the top 74 hotels listed on the National Stock Exchange, Soriya and Dhaigude came to the conclusion that there is a direct and significant correlation between hotel size and internet disclosure. Two studies from Greece are included (Tasios et al. 2021; Spanos and Mylonakis 2006), which looked at the impact of factors and firm size. The findings show that larger, more successful companies have more information on their websites than do smaller companies with fewer board members. The association between corporate governance characteristics, internal audit quality, and financial reporting quality of financial institutions regulated by the Bank of Uganda was examined by Kaawaase et al. in 2021 using the correlation and regression analysis technique. The study's findings showed that, with the exception of board independence, all other characteristics were significantly related to online financial reporting. 68 mailed questionnaires were utilised as the primary mode of data collection in Ali Khan et al. 2011's investigation of the preparers' perceptions of the benefits and drawbacks of online financial reporting. Both Elsayed et al. (2010) and Aly et al. (2009) used an ordinary least square regression model to analyse a sample of Egyptian Exchange companies in order to look into possible influences on the level of corporate internet reporting. The results showed that the majority of companies make their information available online, which aids in achieving better results. Marston and Polei (2004) found that the size of the firm is the only significant explanatory variable for the amount of information disseminated via internet in a study of German companies.

Research Gap

All the above studies examined the status of web-based corporate reporting practices in India as well as outside India. Majority of the studies (Alarussi and Shamkhi 2016; Ali Khan et al. 2011; Tasios et al. 2021; Spanos and Mylonakis 2006; Bowrin 2015; Ettredge et al. 2002; Yusuf 2013; Zadeh et al. 2018; Lombardi and Secundo 2020; Rahmisyari 2022; Parasetya 2022; Elsayed et al. 2010; Aly et al. 2009; Marston and Polei 2004; Dolinsek et al. 2014; M. Yassin and Al-Khatib 2019; Boubaker et al. 2011; Mitra et al. 2017; Kaawaase et al. 2021; Xiang and Birt 2020) are from outside India including Malaysia, Greece, America, Nigeria, Iran, Egypt, Germany, Slovenia, Jordan, France, Bangladesh and Africa, have investigated the pattern and impact of internet based corporate reporting practices conducted by different companies. But in context of India there have been done only some limited studies. The studies which have been conducted outside India generated different results according to the prevailing accounting and presentation system for each country. Although few studies (Sandhu & Singh 2019, Madhani 2019; Makkar and Malhotra 2012) explored the relationship between the board characteristics and determinants of internet based dissemination of corporate information. While some other Indian studies are based on particular sector or specific firm like Soriya & Dhaigude (2016) concluded the relationship of web based corporate reporting in hotel industry. Gakhar 2012 assessed the perception of various stakeholders regarding online reporting. Other studies were found to be focused on either public sector or private sector.

Conclusion

Web-based corporate reporting refers to the widespread dissemination of corporate financial and non-financial information, whether mandatory or voluntary. In this study, a detailed review of the available literature is conducted to determine how and to what extent online reporting of corporate information contributes to increase the overall value of the firm. According to the study's findings, the majority of sampled companies have their own website and disclose information to stakeholders via internet. Internet disclosure is also positively and significantly associated with firm size and nature, profitability, leverage, and ownership.

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