

PERCEPTION VIEW OF ACADEMICIANS AND PROFESSIONALS ON INTEGRATED REPORTING PRACTICES

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ABSTRACT

Business organizations are one among the various pillars of economy of the country. The performance of these organizations is the matter to be concerned to various stakeholders. The communication of the performance of business shows the accountability and transparency of policies adopted by them in their business reporting process. Today the business environment is volatile, and stakeholders are expecting multidimensional information to be disseminated. This paper is descriptive nature to examine the perception of academicians and professionals on integrated reporting practices in India. For this purpose, primary information is gathered from academicians and professionals and analyzed through descriptive and independent sample t-test and concluded that there is a difference in the perception among academicians and professionals on integrated reporting practices in India.

Keywords: Business Reporting, Integrated Reporting, Stakeholders Need

1. INTRODUCTION

Business organisations are one among the various pillars of economy of the country. The performance of these organisations is the matter to be concerned to various stakeholders. The communication of the performance of business shows the accountability and transparency of policies adopted by them in their business reporting process. Today the business environment is volatile, and stakeholders are expecting multidimensional information to be disseminated. The need for communication of multidimensional information in enhanced business report is

created. This enhanced business reporting is nothing but integrated reporting (IR). IR helps the organisation to show the integrated performance of the firm in a comprehensive manner. Integrated performance is nothing but the performance of organization on ESG perspective i.e., economic, social and governance aspects performance. This paper is mainly to analyse the perception of academicians and professionals on integrated reporting practices in India.

2. LITERATURE REVIEW

The aim of the literature review is to examine and evaluate the existing concrete knowledge and earlier research contributions on the current area and to find the literature gap to be fulfilled by the present study. This section of the paper throws a light on the summary of earlier literatures that are carried on the present context of the paper.

2.1. LITERATURE ON BUSINESS REPORTING

Business disclosure content is increasing due to variation in regulatory requirements and need for adoption of global standards for disclosing information as per global requirements. Further, the compliance level of reporting standards over the time is changing and these changes are usually made by large companies in their reporting practices [Marston and Shrivies \(1991\)](#). Brining uniformity in financial reporting needs a harmonized and standardized standards to be followed by the companies for financial reporting process and also needed to have a single body to develop accounting standards such as IASB [Joshi and Abdulla \(1995\)](#). The standard financial reporting pattern followed by the organisations eliminates the information asymmetry in the market and business environment this helps in manage the uncertainty to the decisions to be made by investors [Roychowdhury et al. \(2019\)](#), [Abhishek and Divyashree and \(2019\)](#). Global level accounting standards are well defined principles which support the firms for financial reporting in an efficient and transparent way. The companies in India are producing financial statements as per ICAIs Ind AS (Indian Accounting Standards Converged with IFRSs), which is positively influencing on the value of financial reporting and also it is impacting on reported financial aspects [Rao et al. \(2020\)](#), [Ashoka et al. \(2020\)](#). After complying with specific reporting framework, it is important to observe the way in which the reporting information has been communicated (paper-based or web-based). The dissemination of information should enhance the accountability and transparency to stakeholders. As compared to traditional paper-based reporting, internet-based business reporting helps the stakeholders to the efficient analysis of performance for their decision making [Kaur and Singh \(2019\)](#) [Ashok and Abhishek \(2019\)](#).

2.2. THE LITERATURE ON NON-FINANCIAL REPORTING

Non-Financial reporting is coined from 2008-09 and onwards to report by the companies. The regulators are required to take initiative to promote ESG aspects in the Indian business environment [Carrots and Sticks \(2013\)](#). Many companies in India are following ESG reporting through their sustainability reports as per GRI standards only on specified aspects of non-financial activities undertaken by them. There is a need for enhanced business disclosure on other non-financial activities undertaken by them [Das and Bhattacharjee \(2019\)](#). Social performance reporting is one of the emerging and important areas of non-financial reporting. Through reporting social performance companies have higher competitive advantage and

can build confidence among stakeholders about their existence. But the real problem dealt with social reporting is lack of adequate global level frameworks for identification, measurement, and disclosure of such information. The GRI standards and other standards such as IIRC guidelines and SEBI's BRSRs may serve as guidelines to report and disseminate social performance in an efficient and transparent manner [Abhishek et al. \(2018\)](#). Therefore, Indian companies can follow GRI standards and other guidelines for their social reporting purpose also [Gandhi and Dalvadi \(2017\)](#). To disseminate the environmental information Indian companies are using annual reports as a medium of communication and the communication is more in descriptive nature and not much quantitative information is provided by the companies, there is a need for long-term policy implication for reporting and communication of environmental concern of business organisation to users of information [Eresi and Desai \(2017\)](#). Enhancing the reliability and credibility of accounted environmental information needs its verification by the environmental auditors and majority of Indian companies are disclosing only for statutory compliance purpose. Therefore, it is essential to have a specific global level standard to fix the framework and [Pahuja \(2007\)](#).

2.3. LITERATURE ON INTEGRATED REPORTING

[Labrey \(2015\)](#) found that Integrated Reporting (IR) supports the companies to bridge the information gap and supports for concrete decision making, further it supports for effective running and management of business activities through creating value in the environment in which it is operating and competitive advantage at large. Voluntary disclosure business information under IR approach is the rare case in India as the country is under transition stage for setting up of advanced non-financial reporting framework and this also reason for non-feasibility of integrated reporting for Indian companies [Basu \(2017\)](#). There is a lack of existing regulatory framework on Integrated Reporting approach, there is a difference in reporting practices among Indian companies and only a few companies are following IIRC framework for communication of their financial and non-financial information to stakeholders. There are other guidelines to be employed for this purpose [Barin and Ansari \(2016\)](#). Majority of companies operating in India are reporting integrated information which is mandatory under law and not much voluntary disclosure is taken place, further, there is a need of a strong regulatory framework to promote IR practices in India [Lohar and Soral \(2017\)](#).

From the analysis of earlier literatures, it is found that only limited research works are carried in the field of integrated reporting in India. Therefore, the present study is intended to analyse the perception of academicians and professionals on integrated reporting practices in India.

3. PURPOSE

The purpose of the present paper is to analyse the perception of academicians and professionals on integrated reporting practices in India.

4. HYPOTHESIS

Based on the literature and purpose of the study following hypothesis has been framed:

H₀ = there is a significant difference in the perception among academicians and professionals on integrated reporting

5. METHODOLOGY

The present paper is empirical nature based on both primary and secondary data. Primary data has been collected through structured questionnaire and secondary data has been collected through already published source of information. To analyse the collected data independent sample t-test has been employed and which is performed with the help of SPSS. Total 200 questionnaires for both academicians and professionals have been distributed. Among 200 questionnaire 46 responses from academicians and 32 responses from professional has been received.

6. RESULTS AND DISCUSSIONS

This section of the paper depicts the results of statistical analysis based on which conclusions are derived in relation to the purpose of the study.

Table 1

Table 1 Group Statistics on Perception View of Relevance of Integrated Reporting

Statements on Relevance of Integrated Reporting		N	Mean	Std. Deviation	Rank
1. There is a rapid change in business reporting practices across the globe.	Academicians	46	4.17	.851	7
	Accountants and auditors	32	3.78	1.070	1
2. Non-financial aspects business is getting more prominence today.	Academicians	46	4.24	.923	5
	Accountants and auditors	32	3.50	1.016	7
3. There is need to promote enhanced business reporting Indian scenario	Academicians	46	4.39	.682	1
	Accountants and auditors	32	3.47	.803	8
4. Redesigning of business reporting framework in India.	Academicians	46	4.35	.766	3
	Accountants and auditors	32	3.56	.878	4
5. Orientation on triple bottom line reporting practices to companies and professionals in India is needed.	Academicians	46	4.17	1.102	8
	Accountants and auditors	32	3.47	.983	9
6. Promoting of integrated reporting practices by SEBI to Indian companies is getting more relevance to upgrade Indian business reporting policy.	Academicians	46	4.22	.876	6
	Accountants and auditors	32	3.53	1.107	5

7. There is a need to train companies, academicians, accountants, and auditors regarding integrated reporting practices in India.	Academicians	46	4.24	.802	4
	Accountants and auditors	32	3.59	.979	3
8. There should be a need for combined effort of academicians and professionals (CA, CMA, and CS) to include integrated reporting aspect in accounting curriculum.	Academicians	46	4.33	.967	3
	Accountants and auditors	32	3.63	.751	2
9. Redesigning and implementation of integrated reporting practices in India helps to streamline the accounting and reporting practices to global standards.	Academicians	46	4.39	.802	2
	Accountants and auditors	32	3.50	.984	6
Overall	Academicians	46	4.3012	.59394	
	Accountants and auditors	32	3.5590	.81576	

Source: Survey Data

The Table 1 Shows the descriptive statistics on the perception view of academicians and accountants and auditors on integrated reporting practices. The mean value of each statement in majority of aspects is more than the overall mean value of both academicians and professionals' perception. It means they are positively standing towards integrated reporting practices.

Table 2

Table 2 Independent Samples Test						
Statements on Relevance of Accounting Curriculum		Levene's Test for Equality of Variances		t-test for Equality of Means		
		F	Sig.	t	df	Sig. (2-tailed)
1. There is a rapid change in business reporting practices across the globe.	Equal variances assumed	.573	.451	1.802	76	.075
	Equal variances not assumed			1.730	56.746	.089
2. non-financial aspects business are getting more prominence today.	Equal variances assumed	.191	.663	3.337	76	.001
	Equal variances not assumed			3.280	62.619	.002
3. There is need to promote enhanced business reporting Indian scenario	Equal variances assumed	1.079	.302	5.461	76	.000

		Equal variances not assumed			5.304	59.632	.000
4.	Redesigning of business reporting framework in India.	Equal variances assumed	.479	.491	4.193	76	.000
		Equal variances not assumed			4.092	60.828	.000
5.	Orientation on triple bottom line reporting practices to companies and professionals in India is needed.	Equal variances assumed	.129	.720	2.904	76	.005
		Equal variances not assumed			2.964	71.317	.004
6.	Promoting of integrated reporting practices by SEBI to Indian companies is getting more relevance to upgrade Indian business reporting policy.	Equal variances assumed	2.097	.152	3.055	76	.003
		Equal variances not assumed			2.937	56.837	.005
7.	There is a need to train companies, academicians, accountants, and auditors regarding integrated reporting practices in India.	Equal variances assumed	1.218	.273	3.199	76	.002
		Equal variances not assumed			3.093	58.297	.003
8.	There should be a need for combined effort of academicians and professionals (CA, CMA, and CS) to include integrated reporting aspect in accounting curriculum.	Equal variances assumed	1.681	.199	3.439	76	.001
		Equal variances not assumed			3.597	75.007	.001
9.	Redesigning and implementation of integrated reporting practices in India helps to streamline the accounting and reporting practices to global standards.	Equal variances assumed	.400	.529	4.396	76	.000
		Equal variances not assumed			4.238	57.793	.000
	Overall	Equal variances assumed	1.424	.236	4.623	76	.000
		Equal variances not assumed			4.386	53.428	.000

Source Survey Data

To examine the mean difference in the perception on integrated reporting among academicians and professionals' independent samples t-test has been performed. The results in [Table 2](#) shows that there is a significant difference in the overall perception towards integrated reporting among academicians and accountants. However, there is no significant difference in perception of academicians and professionals on the statement that there is a rapid change in business reporting practices across the globe. Hence, null hypothesis is rejected, and alternative hypothesis is accepted.

7. CONCLUSION

From the study it is found that the academicians and professionals are positive towards the implementation of integrated reporting practices in India. Further, there is a difference in their perception toward integrated reporting. However, it is

advisable to companies to move towards integrated reporting for achieve competitive advantage and to show their socio-economic concern towards the society. Thus, integrated reporting is the future of business reporting in India and around the world.

CONFLICT OF INTERESTS

None.

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