

Impact of Firm-Specific Factors on Corporate Social Responsibility Disclosure Level of Listed Consumer Services Companies in Sri Lanka

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Abstract

Corporate social responsibility (CRS) is one of the valuable concepts for any firm which is operating within a competitive business environment. Nowadays, CSR disclosure is a mandatory requirement for many countries across the globe. However, it is still a voluntary requirement for Sri Lankan companies. Corporate disclosure policy of any firm molds by firm-specific factors. However, the findings related to these factors are inconclusive. Thus, the main purpose of this study is to examine the impact of firm-specific factors on CSR disclosure of the listed consumer service companies in Sri Lanka. The study considers eight firm-specific factors which are earnings per share, profitability, capital structure, firm age, firm size, revenue, broad size, and broad independence to identify the impact on CSR disclosure level. The entire population was selected as the sample and it was limited to 32 companies. The required data for the study was obtained from the annual reports of the sample companies for 5 years from 2015 to 2019. The dependent variable was proxied by the corporate social responsibility disclosure index which developed as per the Global Reporting Initiatives guidelines. The gathered data were analysed using descriptive analysis, correlation analysis, and panel-data regression analysis. The findings of the study revealed that there is a significant positive impact of firm age, firm size, and revenue on corporate social responsibility disclosure level in consumer service sector companies in Sri Lanka. On the whole, the findings of the study imply that the corporate social responsibility disclosure level can improve by increasing the firm size, revenue, and firm age in consumer service sector companies in Sri Lanka. These findings may help policymakers to make decisions regarding the policy of corporate disclosure.

Keywords: Corporate social responsibility disclosures, consumer servicesector, firm-specific factors, global reporting initiatives