Integrated Reporting Disclosure Level in Malaysian Public Universities: Signalling and Institutional Theories Perspective

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Abstract

Purpose: This study intends to examine whether Research Universities (RUs) provide more Integrated reporting (IR) disclosure levels than non-Research Universities (RUs) in Malaysia. The evaluation is supported by signalling and institutional theories.

Design/Methodology/Approach: This research utilises quantitative content analysis of 16 public universities’ annual reports in Malaysia from 2016-2018.

Findings: The result reveals that Malaysian RUs deliver better IR disclosure levels than non-RUs. RUs are expected to disclose a great deal as to communicate their accountability. Signalling theory shows that the RUs expose higher IR disclosure levels to signal their distinction and reputational edge in contrast to non-RUs. The hypothesis is in line with the institutional theory because RUs are compelled to report in a superior format because they are pressured to perform well and be ranked highly.

Research Limitation: This study is limited to the accessible annual reports of Malaysian public universities.

Practical Implication: The results provide insights for policymakers to adopt IR framework in the public sector, in this case - Malaysian public universities as to communicate the organizations' value creation to various stakeholders.
Originality/Value: This paper is among the few publications that study the financial reporting of public sectors in Malaysia, focusing on Malaysian public universities. Furthermore, this study is among the early studies investigating the trendy issue of the potential adoption of the IR approach in Malaysian public universities.

Keywords: Integrated reporting, research universities, non-research universities, signalling theory, institutional theory.