



Firm- Specific Characteristics and Voluntary Disclosure Reporting: An Empirical Research on Listed Companies of Bangladesh

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Abstract

Voluntary disclosure is provided in the corporate annual reports by the management of an organization in order to maintain an effective internal control system and a decision useful environment to the investors. This paper envisages the association of voluntary disclosure practices with firm-specific characteristics. A total of 120 companies have been selected for the purpose of the paper both from service and manufacturing sector. For the purpose of the paper, the annual report of the sample companies is gone through several times with skeptic angle using content analysis technique. A Voluntary Disclosure Reporting Index (VDRI) containing 28 themes has been developed and used for the paper. The result of the paper shows that firm-specific characteristics such as size of the business, profitability, leverage and age positively affects voluntary disclosure reporting practices and industry type have negative effect in the practice by the companies. Size of the business, profitability, leverage and industry type has significant impact in the voluntary reporting practices by the listed companies of Bangladesh. The voluntary disclosure being non-statutory requirements should encompass the socio-economic variables and the various demands of the stakeholder group.