

Sharing corporate R&D on the internet

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How much research and development information do Fortune Global 500 companies give away on their websites? That was the question a team from the University of Tunisia hoped to answer in assessing the openness of the commercial R&D world.

Writing in the *International Journal of Information Technology and Management*, Boutheina Ben Ghnaya explains that 145 corporate websites across 20 countries were analysed and 11 variables - [company](#) internal and external factors – tested to reveal any patterns in [information sharing](#). The researchers found that a company's degree of internationality, the industry type, the company size and how intense are their R&D efforts are the main factors that explain the differences in R&D disclosure on the internet.

Corporations invest hundreds of billions of dollars globally in R&D efforts hoping to create new and improved products that will give them market share and a healthy bottom line for their investors and shareholders. The literature is replete with studies and investigations of R&D funding, performance and valuation, fundamentally because R&D success directly affects company profits. Critically, the disclosure of R&D information can help inform investor decisions and companies take great care in their financial statements with what they reveal in public regarding their efforts and the success and failures they have.

Financial statements, however, are not generally the best outlet for a summary of R&D in a company and do not necessarily reflect the true nature or performance. Ben Ghnaya alludes to the notion that a more

transparent approach to R&D disclosure would benefit investors and companies alike by reducing unwarranted risks and costs. And yet, the form of R&D disclosure on the internet is rather disparate between companies and is still very limited in its extent, with a few exceptions. "Our findings suggest that the full potential of the internet as a communication medium is not yet realised," says Ben Ghnaya.

Nevertheless, it seems that R&D disclosure is greatest among companies with the widest spread of foreign sales and the largest corporations. However, there is no apparent association between disclosure and number of foreign subsidiaries. Additionally, listing on multiple stock markets does not affect the degree of disclosure, the team found, nor does actual profitability.

More information: Research and development disclosure information on internet by multinational corporations *Int. J. Information Technology and Management*, Vol. 14, No. 4, pp.274–304.

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