INTEGRATED REPORTING PRACTICE: EVIDENCES FROM AN EMERGING MARKET

W.A.N. Priyadarshanie, Management & Science University
Siti Khalidah Binti Md Yusoff, Management & Science University
S.M. Ferdous Azam, Management & Science University

ABSTRACT

The objective of this paper is to give a comprehensive overview of the academic literature focusing on a rapidly emerging field of Integrated Reporting (IR) practice in Sri Lanka. The paper reviews the existing literature and gives insights on the integrated reporting practice which is at the embryonic phase in the Sri Lankan context. Semi-systematic approach of literature review was utilized for this study. The level of IR adopted, motives behind IR adoption, benefit of adopting IR and barriers and limitations of adopting IR in the Sri Lankan context have been mainly identified in this paper. This analysis revealed that the degree of compliance with the content elements prescribed in the International Integrated Reporting Framework (IIRF) by Sri Lankan listed companies is rapidly increasing. However, it is discovered that the disclosures under the content elements of "risk and opportunity," "strategy & resource allocation," performance," and "forecast" need to be improved. Awarding schemes, programs and workshops on IR which is conducted by professional accounting bodies, pressure from auditors, pressures from competition, global trend, corporate image and code of best practice in corporate governance have affected more in achieving a high degree of IR adoption among the Sri Lankan listed companies. The study's key limitation is that it relies on literature that is still in its early stages of development. Academics, regulators, and reporting organizations may benefit from this research, which raises awareness of areas of integrated reporting that require further development and much more evidence to enhance policy and practice improvements. This study identified some areas where more academic research is needed. As an evolving phenomenon, limited empirical studies are exploring IR practice and this paper provides some contribution to the understanding of IR practice in the Sri Lankan context as a voluntary regime.

Keywords: Integrated Reporting, International Integrated Reporting Framework, Sri Lanka.

INTRODUCTION

Preparing integrated annual report has become the latest trend in Sri Lanka (Jayasiri, 2020). It is a fast emerging reporting practice that enables effective communication with external stakeholders. The developments in environmental and social sustainability fronts such as the circular economy enhance informational needs. In such a situation, focusing on sustainability and integrated reporting approaches is considerably vital to satisfy that information needs (Gunarathne et al., 2021). Integrated Reporting contributes to filling the gap between the information reported by the companies at present and the information which investors need to assess the business value and make predictions. It is aiming to satisfy the informational needs of stakeholders and value creation to external users (Petcharat & Zaman, 2019) and also provide an arena to show the firm's ability to create value over time (Abeywardana et al., 2021). Integrated reporting provides valuable information to capital markets (Zuniga et al., 2020). It provides a platform for companies to explain their value

Citation Information: Priyadarshanie, W.A.N., Yusoff, S.K.B., & Azam, S.M.F. (2023). Integrated reporting practice: evidences from an emerging market. *Academy of Accounting and Financial Studies Journal, 27*(1), 1-15.

creation over the short, medium and long term completely and more effectively to the capital markets enabling a more efficient and productive allocation of capital (KPMG, 2012; Vaio et al., 2019; Mirsadri et al., 2021). The International Integrated Reporting Framework (IIRF) helps to accelerate the adoption of integrated reporting across the world. It promotes the importance of non-financial capitals, such as human, social and relationship, intellectual and natural capital, together with financial and manufacturing capitals (Jayasiri, 2020). Different guidelines given in the integrated reporting framework will have varying degrees of importance to capital providers (Sinnewe, 2017). As IIRF provides guidelines on the communication process to stakeholders and the control of value creation, it is broadly used by companies as a guideline for integrated reporting (Petcharat & Zaman, 2019).

Since integrated reporting is still in its early stages of adoption, innovative disclosure mechanisms may take longer to emerge. According to Vaio et al. (2019), integrated reporting and integrated thinking are still viewed as basic reporting tools to satisfy stakeholders' expectations rather than as corporate governance instruments. Kilic et al. (2021) identified that stakeholder pressure is more convincing than shareholder interest in driving corporations to prepare integrated annual reports. However, firms have gained some returns from adopting this innovative practice into their reporting process. Martinez (2016) discovered that IR aids to enhance firms' market value and their expected future cash flows. IR disclosures are positively and significantly impacted on a firm’s operational, financial and market growth (Islam, 2020).

With all of these benefits, firms tend to follow IIRF and it is visible from the empirical findings too. Islam (2020) identified that there is an increasing pattern of adopting content elements prescribed by the IIRF by the companies listed in the Dhaka Stock Exchange. IR comforts to create a better reporting practice that offers quality information to providers of financial capital. Guthrie et al. (2020) found that the companies use their integrated reports to disclose environment and society-related risks broadly. And narrative and visual representations are used for such disclosures. IR inspires a diffusion of Corporate Social Responsibility practices (Dragu, 2018).

The difficulty for IR, according to Vesty et al. (2018), is to create methods for reporting on companies' broader societal impacts, which go beyond measurements of IR value creation. In developing countries with a voluntary disclosure regime, IR is still a novel invention. As a consequence, in most situations in emerging markets, more advanced notions of IR, such as integrated thinking, were not apparent (Lipunga, 2015; Gunarathne & Senaratne, 2017). Research in the field of integrated reporting is still in its infancy. Thereby, the effort of researches conducted at that time often focused on raising awareness of the potential of specific research areas. This paper examines the articles based on the topic of integrated reporting in the Sri Lankan context. So that it will establish some ideas on how to develop this novel reporting practice in the future. Thereby the aim of this study is to review the studies conducted on integrated reporting practice in the Sri Lankan context to achieve few objectives namely identifying the level of adoption of IR by Sri Lankan listed companies, identifying the value relevance and other benefits of adopting IR and identifying barriers and limitations of adopting IR in the Sri Lankan context. Sri Lanka is selected for this study since IR is a rapidly emerging field in Sri Lanka (Jayasiri, 2020). Identifying the current level of practice and areas which need further improvements in IR practice is vital for regulators to direct companies for a better reporting practice. Crucial amenities would be provided by professional accounting bodies to overcome identified weaknesses. Thereby, the findings of this study will give more insights to academics, regulators and reporting entities into aspects of integrated reporting that need further enhancements.

Citation Information: Priyadarshanie, W.A.N., Yusoff, S.K.B., & Azam, S.M.F. (2023). Integrated reporting practice: evidences from an emerging market. *Academy of Accounting and Financial Studies Journal, 27*(1), 1-15.

INTEGRATED REPORTING

The concepts, elements, and principles in corporate reporting have been questioned, debated, and redesigned over the years in response to the globalized business environment, with new laws, rules and regulations, standards, codes, guidelines, frameworks, and stock market listing requirements, and companies have been encouraged to provide extensive non-financial information and more complex financial information (Aceituno et al., 2014).

It's time to take a step back, reconsider, and call for coordinated international action on what information should be included in corporate reports to provide a clear and concise picture that drives innovation, emphasizes communication over compliance, and supports resource allocation decisions that are consistent with long-term economic stability and value creation (IIRC, 2013). Successively, IR has evolved as the latest development in corporate reporting reform, while addressing and overcoming the criticisms and shortcomings of traditional corporate reporting (IIRC, 2013). Integrated reporting encourages a more consistent and efficient approach to corporate reporting, intending to improve the quality of information available to financial capital providers to enable more effective and productive capital allocation (IIRC, 2021). By combining traditional reporting and corporate social responsibility, Integrated Reporting has been recommended as a way to improve overall transparency (Cortesi & Vena, 2019). Financial, economic, governance, and social information are all included in the integrated reports (Rupley et al., 2017).

The IR Framework takes a principle-based approach to strike an appropriate balance between flexibility and prescription that recognizes the wide variation in individual circumstances among organizations while allowing for sufficient comparability across organizations to meet relevant information needs (IIRC, 2021). Its main focus is on disclosing aspects that could have a significant impact on a company's potential to produce value in the short, medium, and long term. As a result, the IIRF's objective is to define the core concepts, guiding principles, and content elements that will guide the preparation of an integrated report (IIRC, 2013). Seven guiding principles have been proposed to guide the development and presentation of an integrated report, informing the report's content and how information is presented Table 1.

Table 1
GUIDING PRINCIPLES

Guiding Principle	Description
Strategic focus and future orientation	An integrated report should provide insight into the company's strategy and how it connects to the company's potential to produce value in the short, medium, and long term, and to its use of and effects on the capitals
Connectivity of information	An integrated report should present a holistic picture of the elements that affect the organization's ability to produce value across time, including their interactions, interdependencies, and dependencies.
Stakeholder relationships	An integrated report should provide insight into the nature and quality of the organization's relationships with its key stakeholders, including how and to what extent the organization understands, takes into account and responds to their legitimate needs and interests
Materiality	An integrated report should disclose information about matters that substantively affect the organization's ability to create value over the short, medium and long term
Conciseness	An integrated report should be concise
Reliability and completeness	An integrated report should include all material matters, both positive and negative, in a balanced way and without material error
Consistency and comparability	The information in an integrated report should be presented: a. on a basis that is consistent over time; and b. in a way that enables comparison with other organizations to the extent, it is material to the organization's own ability to create value over time.

Source: International Integrated Reporting Framework 2021

Citation Information: Priyadarshanie, W.A.N., Yusoff, S.K.B., & Azam, S.M.F. (2023). Integrated reporting practice: evidences from an emerging market. *Academy of Accounting and Financial Studies Journal, 27*(1), 1-15.

Eight content elements indicate the key areas that should be included in an integrated report. They are fundamentally linked to each other and are not mutually exclusive (IIRC, 2021). Table 2.

Table 2
CONTENT ELEMENTS

Content Element	Description
Organizational overview and external environment	What does the organization do and what are the circumstances under which it operates?
Governance	How does the organization's governance structure support its ability to create value in the short, medium and long term?
Business model	What is the organization's business model?
Risks and opportunities	What are the specific risks and opportunities that affect the organization's ability to create value over the short, medium and long term, and how is the organization dealing with them?
Strategy and resource allocation	Where does the organization want to go and how does it intend to get there?
Performance	To what extent has the organization achieved its strategic objectives for the period and what are its outcomes in terms of effects on the capital?
Outlook	What challenges and uncertainties are the organization likely to encounter in pursuing its strategy, and what are the potential implications for its business model and future performance?
Basis of presentation	How does the organization determine what matters to include in the integrated report and how are such matters quantified or evaluated?

Source: International Integrated Reporting Framework 2021

IR adoption in the globe

Integrated reporting is the incremental phase-in sustainability reporting. Firms that are producing some form of integrated reports are changing their processes and structures suitable for integrated reporting (Stubbs & Higgins, 2014). De Villiers & Hsiao (2017) found that IR is being implemented and adopted at a more rapid rate than previous reporting initiatives.

Marrone & Oliva (2020) analyzed the level of alignment of integrated reports with the IIRC framework in the South African contest which is the only country that adoption of IR is compulsory. Results reveal that South African companies provide integrated reports with high levels of alignment with the IIRC framework. From other countries perspectives, although there is an increasing pattern of disclosure of the constructed index elements by the firm (Islam, 2020; Tudor et al., 2020; Hoang et al., 2020), firms are slow to adopt integrated reporting Lipunga (2015) because of the scarce resources, culture and leadership, stakeholders demand, the regulatory requirement, the effect of globalization and the mindset, lack of awareness about IR and the nature of business and size (Bananuka et al., 2019).

Although IR is not compulsory for other countries, relevant professional bodies have facilitated enough guidance and regulations locally. For example, Chartered Accountants of Sri Lanka has established Integrated Reporting Council to facilitate firms who are adopting IR. The Institute of Chartered Accountants of Bangladesh has introduced a disclosure checklist. Those initiatives have helped in adopting IR in those countries fast. Islam (2020) observed that the practice of IR has gained considerable attention from the Bangladesh companies after introducing that disclosure checklist.

Researchers have examined the factors that influence the adoption of integrated reporting. Iredele (2019) examined the association between the quality of integrated reports and corporate characteristics. Profitability, the board size, gender diversity in terms of

Citation Information: Priyadarshanie, W.A.N., Yusoff, S.K.B., & Azam, S.M.F. (2023). Integrated reporting practice: evidences from an emerging market. *Academy of Accounting and Financial Studies Journal, 27*(1), 1-15.

percentage of women representation on the board, and firm size were found to influence the quality of integrated reports.

Omran et al. (2021) analyzed the influence of board characteristics on integrated reporting (IR) for the top 50 companies listed on the Australian Securities Exchange (ASX50). Results revealed that aggregate IR index is significantly positively related to board independence and firm size, however, profitability and business growth opportunities have a significant negative association with the level of information disclosed under IR.

Many studies have focused on determining the potential benefits of using IR. Obeng et al. (2020) observed that the application of IR practice is associated with lower agency costs. However, in stakeholder-oriented countries, the relationship between the level of IR practice and agency costs is more negative than in shareholder-oriented countries. Integrated reporting and integrated thinking promote process integration and better allocation of resources and capital (Vaio et al., 2019), and provide useful information for capital markets (Zuniga et al., 2020). However, Imaningati et al. (2021) identified that Integrated Reporting disclosures had negative direct effect on intellectual capital disclosures. Martínez (2016) evaluated the possible external benefits of IR related to capital markets based on a sample of international voluntary adopters. The results show that IR is positively correlated with market value and expected future cash flows. Zuniga et al. (2020) found that IR quality is correlated with lower profit forecast errors and positively correlated with market liquidity. Bart et al. (2017) also used data from South Africa to confirm that there is a positive correlation between the quality of the integrated report and capital market liquidity and expected future cash flows. Wall et al. (2020) investigated the impact of voluntary IR disclosures on the accuracy of analyst earnings forecasts and the company's value. The analysis showed that the voluntary disclosure of IR had no significant impact on the accuracy of analysts' earnings forecasts, nor did it have a significant impact on the company's value. Cortesi & Vena (2019) pointed out that integrated reporting can improve the company's information disclosures, reduce information asymmetry, and improve the quality of reported earnings per share.

Islam (2020) looked at the IR disclosure pattern and investigated its relationship to the company's operations, finances, and market performance. The study revealed that IR has a positive effect on all the three performance variables. Adegboyegun et al. (2020) studied the impact of integrated reporting on the performance of Nigerian banking organizations. The results show that investor relations do not have a significant impact on the performance of the company in the short term, but have a significant relationship with the performance of the company in the long term. However, Slack and Tsalavoutas (2018) found that integrated reports are of little use to fund managers and stock analysts. While these studies provide evidence for the level of adoption, motives and benefits of integrated reporting in a different context in the world, the next section focuses explicitly on the Sri Lankan context.

METHODOLOGY

In this study the methodology adopted is the semi-systematic approach of literature review. It facilitates to synthesize the state of knowledge and create an agenda for future research. This paper utilized the variety of online libraries to identify the relevant research articles for this analysis. Those articles include peer-reviewed conference papers and academic papers. Conference papers also considered, because it gives us insight into the areas of discussion that will appear in academic journals in the future. From a set of 16 research studies in integrated reporting 12 articles (given in the Table 3) were selected as the final sample on the basis of study relevance to practice of integrated reporting. Narrative analysis method was utilized in this paper as the data analysis approach which is generally used in qualitative research.

Citation Information: Priyadarshanie, W.A.N., Yusoff, S.K.B., & Azam, S.M.F. (2023). Integrated reporting practice: evidences from an emerging market. *Academy of Accounting and Financial Studies Journal, 27*(1), 1-15.

Table 3
EMPIRICAL EVIDENCES ON INTEGRATED REPORTING FROM THE SRI LANKAN CONTEXT

Study	Objective	Journal
Cooray et al. (2021)	Examine the coverage of reporting content elements in Sri Lankan companies' integrated reports, as well as trends in reporting content elements, given in the International Integrated Reporting Framework (IIRF)	Journal of Financial Reporting and Accounting
Anojan (2019)	Examine accounting experts' perspectives on the introduction of integrated reporting in Sri Lanka.	Global Journal of Management and Business Research: Accounting and Auditing
Abeywardana (2016)	To identify the level of compliance of integrated reporting disclosures with the international integrated reporting framework and to identify the improvement areas of integrated reporting	The International Journal of Business & Management
Jayasiri (2020)	Using a disclosure index based on the international IR framework, investigate the extent and nature of IR disclosures published by Sri Lankan PLCs.	Doctoral dissertation - University of Otago, New Zealand
Cooray et al. (2020)	Examines the relationship between the level of integrated reporting (IR) in Sri Lanka, as measured by the extent to which the International Integrated Reporting Framework (IIRF) has been adopted, and firm value (a proxy for IR's value relevance).	Sustainability
Lakshan (2018)	Identifies the determination of materiality levels for non-financial information in the integrated reports of the sample companies including; interviewees' perception of materiality level, managers' awareness about the difficulty of determining materiality, techniques used by the sample companies to determine materiality levels, participants in the materiality determination decision and available guidance to determine materiality.	Doctoral dissertation - University of Waikato, New Zealand
Cooray et al. (2020_b)	Examines how governance mechanisms affect the quality of integrated reporting (IR)	Sustainability
Abeysinghe (2020)	investigates the current practice of measuring and reporting sustainability performance in Sri Lanka using three selected integrated corporate reports	Journal of the Institute of Chartered Accountants of Sri Lanka
Gunarathne and Senaratne (2017)	Examines how and why Integrated Reporting (IR) as a managerial technology is diffused in Sri Lanka, from an expansion diffusion perspective.	Managerial Auditing Journal
Gunaratne and Senaratne (2018)	To address the gap "why some countries enjoy more competitive advantage than others in IR adoption".	Accounting for Sustainability: Asia Pacific Perspectives
Pathiraja and Priyadarshanie (2018)	To examine the Value Relevance of Integrated Reporting of listed companies in Sri Lanka	Certified Management Accountant
Deen (2017)	Investigates the value-relevance of information disclosures, particularly non-financial information presented in Colombo Stock Exchange (CSE) listed company integrated reports, under a voluntary setting	Proceeding of 3rd International Conference for Accounting Researchers and Educators
Abeywardana et al. (2022)	Examining the impediments that affect the adoption of IR practice and identifying the impact of the adoption of integrated reporting on the organizational sustainability.	Universal Journal of Accounting and Finance

Source: Constructed based on the literature review

Citation Information: Priyadarshanie, W.A.N., Yusoff, S.K.B., & Azam, S.M.F. (2023). Integrated reporting practice: evidences from an emerging market. *Academy of Accounting and Financial Studies Journal, 27*(1), 1-15.

DISCUSSION AND SYNTHESIS

In this section the extant literature on IR is reviewed under four broad headings: level of IR adoption and Trend, motives behind IR adoption, benefits of adopting IR and barriers and limitations of adopting IR.

Level of IR Adoption and Trend

Empirical evidence Jayasiri (2020) has proved that companies have adopted IR and prepared their annual reports using integrated reporting practice even before the establishment of IIRF. Two Sri Lankan companies have been preparing integrated reports since 201. IR had been an efficient choice for early-adopting companies while it is a fashionable choice for many late adopters (Gunarathne & Senaratne, 2017). New adopters of IR trend to imitate the award-winning companies. Jayasiri (2020) found a steady growth of IR adoption by listed corporates in Sri Lanka. This growing trend of IR adoption by listed companies in Sri Lanka moving beyond an early adoption stage to a developmental stage of IR by 2016 (Jayasiri, 2020).

Table 4
IR ADOPTION IN SRI LANKA

Year	2010	2011	2012	2013	2014	2015	2016	2017	2018
No. of companies adopted IR	0	2	6	17	34	48	62	72	84
No. of Listed Companies	241	272	287	289	292	296	295	295	298
% of adoption	0	1	2	6	12	16	21	24	28

Coverage of Disclosure Items

IR is still a new concept in developing economies where IR is adopted voluntarily. The degree of coverage of integrated reports of the Sri Lankan companies in terms of the content elements of IIRF is also improving (Cooray et al., 2021). The same result was confirmed in another developing country in the study of Islam (2020) by observing an increasing pattern of disclosure of the content elements by the companies listed in the Dhaka Stock exchange. There are eight content elements to be considered when preparing integrated reports. They are "*Organizational overview and external environment, Governance, Business model, Risks and opportunities, Strategy and resource allocation, Performance, Outlook and Basis of preparation and presentation*" (IIRC, 2013). There are some under-addressed areas although the coverage of content elements of the IIRF has increased (Cooray et al., 2021). The knowledge on IR implementation and practical requirements are limited among initial adopters of IR due to many reasons such as newness of the concept, lack of experience, lack of research, and a lack of clarity in IR guidance (Lakshan, 2018). This may lead to existing some under-addressed areas.

The ranking of scores of individual content items has changed each year (Cooray et al., 2021). By examining corporate annual reports of the 34 listed companies in the Colombo Stock Exchange over the seven years from 2010 to 2016, Jayasiri (2021) discovered that the most information was disclosed for *"governance"*. Confirming the same result Cooray et al. (2021) revealed that *"governance"* ranked first place in the year 2015/2016. However, it was taken over by *"basis of preparation"* in the years 2016/2017 and 2017/2018.

Considering the scores of the other content elements, Cooray et al. (2021) further observed a higher level of coverage in *"organizational overview and external environment"* and *"outlook"*. *"strategy and resource allocation"* is the lowest reported component (Cooray et al., 2021; Pathiraja & Priyadarshanie, 2019).

Citation Information: Priyadarshanie, W.A.N., Yusoff, S.K.B., & Azam, S.M.F. (2023). Integrated reporting practice: evidences from an emerging market. *Academy of Accounting and Financial Studies Journal, 27*(1), 1-15.

The remarkable finding was that the disclosure scores of the *"business model"* had increased significantly over time (Cooray et al., 2021). Further *"risk and opportunities"*, "*strategy & resource allocation*", *"performance"* and "*outlook*" are showing the greatest room for improvement (Abeywardana, 2016; Cooray et al., 2021). A similar result was confirmed by Mirsadri et al. (2021) in high tech knowledge-based organizations in Iran observing that organizations' future outlook is not included in the integrated reports. However, Mirsadri et al. (2021) stated that organizations do not provide targets, forecasts, projections, or even scenarios due to liability and competitive concerns.

Motives behind IR Adoption

Sri Lanka has achieved a high adoption rate of IR. Like other companies around the world, Sri Lankan companies also made a transformative change to adopt IR rather than incremental changes to processes and structures that previously supported sustainability reporting (Gunarathne & Senaratne, 2017). Sufficiently available professional accountants, increasing stakeholder demand, support received from professional accounting bodies and competition among organizations created via award schemes are key drivers towards a high adoption level of IR (Gunarathne & Senaratne, 2018). Most of the Sri Lankan companies have practiced Sustainability Reporting early to IR. Due to that, an already established information capturing system with separate units, staff such as a sustainability and planning unit, a sustainability and business development unit, sustainability champions facilitate to adopt IR. Also, familiarity with sustainability thinking supports integrated thinking. This enlightened top management and corporate culture expedite the adoption of IR within Sri Lankan companies (Gunarathne & Senaratne, 2017). Setiawan (2016) also examined that Indonesian companies who have adopted Sustainability Reporting are ready to disclose Integrated Reporting with few modifications which adds the value of their report. By this means, this a visible character in emerging markets which is IR is a voluntary practice.

Researchers embrace theories to discover the more reasons behind this motivation to adopt IR in Sri Lankan Companies. Many researchers (Jayasiri, 2020; Lakshan, 2018; Gunarathne and Senaratne, 2018) have selected institutional theory to explore the motives behind IR adoption. Adams et al. (2016) identified that isomorphism and isopraxism together being useful in explaining differences and similarities in integrated approaches to corporate reporting. Three types of isomorphic forces (coercive, mimetic and normative) explains the drives of adopting IR. Availability of award schemes, programs such as seminars, awareness workshops and capacity building programs conducted by professional bodies (CA Sri Lanka, ACCA, CIMA, CMA) is identified as the significant normative pressures in the Sri Lankan context (Gunarathne & Senaratne, 2018). Additionally, influence from auditors, pressure from annual report-producing companies are also considered to appear with this normative isomorphism (Jayasiri, 2020). Over again award schemes create mimetic pressure for the adoption of IR in Sri Lanka, as award winners make an influence on their peers to mimic this reporting practice. In addition, pressure from the competition, global trends, and corporate image and reputation create mimetic pressures (Jayasiri, 2020). Cooray et al. (2020a) have identified the code of best practice in corporate governance issued by CA Sri Lanka as the main source of coercive pressure. Moreover, integrated reporting council established by CA Sri Lanka (IIRC), influence from the parent company, and influence from stakeholders are also creating coercive pressure (Jayasiri, 2020). However, Kilic et al. (2021) found that firms are more motivated for transparency in a Stakeholder oriented context than in a regulated context.

Jayasiri (2020) found that internal isopraxism also forces in determining the motives behind the voluntary adoption of IR in Sri Lanka, in addition to collective influence through

Citation Information: Priyadarshanie, W.A.N., Yusoff, S.K.B., & Azam, S.M.F. (2023). Integrated reporting practice: evidences from an emerging market. *Academy of Accounting and Financial Studies Journal, 27*(1), 1-15.

the three external isomorphic forces. Personal motivation for IR, internal leaders for IR, availability of in-house champion for IR and top management support are found to be internal motives that persuade Sri Lankan listed companies towards IR adoption.

Table 5
MOTIVES OF IR UNDER INSTITUTIONAL THEORY

Isomorphic Forces	Motivation Factors	Literature
External Isomorphic Forces		
Normative Pressures	Availability of award schemes	Gunarathne and Senaratne (2018)
	programs conducted by professional bodies	Gunarathne and Senaratne (2018)
	influence from auditors,	Jayasiri (2020)
	pressure from annual report-producing companies	Jayasiri (2020)
Mimetic Pressure	award winners make an influence on their peers	Jayasiri (2020)
	pressure from the competition	Jayasiri (2020)
	global trends	Jayasiri (2020)
	corporate image and reputation	Jayasiri (2020)
Coercive Pressure	code of best practice in corporate governance issued by CA Sri Lanka	Cooray et al. (2020a)
	integrated reporting council established by CA Sri Lanka	Jayasiri (2020)
	influence from parent company	Jayasiri (2020)
	influence from stakeholders	Jayasiri (2020)
Internal Isomorphic Forces		
Internal Isopraxism	Personal motivation	Jayasiri (2020)
	internal leaders	Jayasiri (2020)
	availability of champions	Jayasiri (2020)
	top management support	Jayasiri (2020)

Another category of research is conducted using quantitative data especially analyzing corporate characteristics to identify the motives for adoption and quality of integrated reporting (Pathiraja & Priyadarshanie, 2018; Cooray et al., 2020b). Pathiraja & Priyadarshanie (2018) recognized that large firms which size is measured using total assets tend to adopt Integrated Reporting practice than small firms. Other firm characteristics for instance age, leverage, ownership dispersion, ROA, sales, market value, audit firm size and industry type do not significantly impact on the adoption of IR. At the same time, there is inadequate support from the corporate governance mechanisms for providing quality information to stakeholders through integrated reports (Cooray et al., 2020b). However, Marrone & Oliva (2020) observed that in an IR mandatory condition, firm size, firm profitability and financial leverage positively affect the level of compliance of the integrated reports with the IIRC requirements. Omran et al. (2021) also examined that board independence, firm size, profitability and growth opportunities positively affect the level of compliance with IIRC by companies in developed economies. It has been determined that firms with sufficient resources are more devoted to sound integrated reporting than other firms, regardless of whether the economy is developed or not, and whether IR is compulsory or not.

Benefits of Adopting IR

IR adopted companies are increasing indicating that managers use IR practice to gain legitimacy via compatible with the accepted social norms, values and expectations of society

Citation Information: Priyadarshanie, W.A.N., Yusoff, S.K.B., & Azam, S.M.F. (2023). Integrated reporting practice: evidences from an emerging market. *Academy of Accounting and Financial Studies Journal, 27*(1), 1-15.

(Cooray et al., 2021). Altogether, IR is adopted by Sri Lankan listed companies to stem the external pressures emerging from rules, regulations, norms, belief systems and routines. As pointed out in the IIRF (2013), there are some benefits of adopting IR in business reporting. *"Better alignment of reported information with investor needs"*, *"availability of more accurate non-financial information"*, *"enhanced risk management"*, *"greater engagement with investors and other stakeholders"*, and *"lower reputational risk"* are those benefits.

However, according to empirical evidence, IR adopting companies have achieved benefits at varying degrees. Researchers (Lakshan, 2018; Anojan, 2019) explored that few of the Sri Lankan listed companies achieved the benefits such as better resource allocation decisions, better identification of opportunities, an integrated corporate culture, and greater collaboration across different functions within the company.

Some researchers Pathiraja & Priyadarshanie (2018b) and Cooray et al., (2020) employed quantitative methods to observe whether there is any value relevance of adopting IR. Pathiraja & Priyadarshanie (2018b) discovered that the adoption of IR results in an increment of market capitalization. However, Cooray et al. (2020) claimed that this increasing practice of IR does not significantly impact on the firm value by itself. However, there is a significant positive relationship between IR and firm value when IR is combined with earning information (Earnings per share). It confirms that IR improves the value relevance of accounting information. In the IR mandatory context, Zuniga et al. (2020) observed that IR quality is positively associated with market liquidity and lower earnings forecast error.

BARRIERS AND LIMITATIONS OF ADOPTING IR

There are common barriers and limitations faced by emerging economies when adopting IR. Bananuka et al. (2019) identified that lack of awareness and scarce resources are some of the barriers to adopting IR from a developing country perspective. Anojan (2019) also identified that there is a lack of knowledge and awareness regarding integrated reporting in Sri Lanka. Challenges to implement IR within organizations are arising from several sources such as IIRF guidelines, employees and organization structure. Lakshan (2018) identified inadequate guidelines, confusion in understanding the framework and its requirements, business model, connectivity and making a concise report are challenges arising from IIRF guidelines. Abeywardana et al. (2022) also identified that impediments to IR adoption have occurred through the framework given by IIRC for adopting IR. Complexity of the framework due to principle based nature, difficulty in identifying material information on both financial and non-financial when reconciling the different needs of different stakeholders and challenging nature of reporting of components of capital due to its complex nature are impediments arise from the framework. International Integrated Reporting Framework (IIRF) is the only framework that provides organizations with guidelines for preparing IR all over the world. However, countries differ in size, economy, macro-economic and cultural aspects. As a result, applying a universal set of principles to all businesses in all nations is not practical (Soriya & Rastogi, 2021).

There are some barriers from employees' perspectives; lack of knowledge and expertise, changing employees' mindset in favor of IR, obtaining the support of top management and thinking as an additional burden for employees (lakshan, 2018; Abeywardana et al., 2022). In some organizations, its structure is not supportive for implementing IR due to a lack of proper information systems, lack of communication and coordination among different business units, and a lack of support from other divisions. Bananuka et al. (2019) also identified that culture and leadership is a barrier to adopt IR in

Citation Information: Priyadarshanie, W.A.N., Yusoff, S.K.B., & Azam, S.M.F. (2023). Integrated reporting practice: evidences from an emerging market. *Academy of Accounting and Financial Studies Journal, 27*(1), 1-15.

Uganda which is a developing economy indicating that developing counties face same barriers when implementing IR.

An interesting finding of Jayasiri (2020) is that some companies do not use a framework but adopted IR and prepared integrated reports. Gunarathne & Senaratne (2017) also noted the gaps, anomalies and mismatches in the integrated reports prepared by many firms. The lack of knowledge on IIRF as well as IIRC has led the firm towards such non-compliances. Further, it claims that the presentation of integrated performance in integrated reports is insufficient and subject to a significant variation (Abeysinghe, 2020).

It is evident that there are some inadequacies in integrated performance measurement and reporting in this novel reporting practice. However, it is not yet received much attention from researchers. Although practitioners attempt to measure and present integrated performance to a greater extent, empirical evidence of some research (Abeysinghe, 2020) claim that only performance aspects corresponding to financial capital and human capital cover all aspects of outcomes derived theoretically. Moreover, it revealed that companies report many irrelevant performance measures, indicating a deficiency in understanding of integrated performance except for financial and human capital. There are some areas of performance measures of other capitals yet to be attended to. Further, it is noticed that there is an inadequacy of IR in generating integrated thinking within companies. Altogether, many firms having successful business models adopt the integrated thinking and business model but are not willing to report or have produced poor reports, which results in a *"practice-reporting portrayal gap"* (Gunarathne & Senaratne, 2017). However, this inadequacy of integrated performance measuring and reporting can be recognized as the inconsistencies and ambiguities in IR guidelines. There are certain deficits in adopting integrated reporting practices in the international setting as well. Abhayawansa et al. (2018) pointed out the irrelevance of integrated reporting to mainstream sell-side analysts. The improvements resulting from the adoption of integrated reporting are not relevant to analysts, as the reports do not provide the information required by analysts in sufficient detail or preferred format. Slack & Tsalavoutas (2018) evaluated the decision usefulness of integrated reporting by considering mainstream equity market actors' views. Results of this study concluded that the use of integrated reporting to fund managers and equity analysts is low (Zúñiga, 2020).

Even though, the criticisms against shortcomings of IR, the practice of integrated reporting is growing in the Sri Lankan context for various other reasons. Anojan (2019) found that the opportunities and benefits of IR exceed its disadvantages and challenges on the implementation in Sri Lanka.

FUTURE RESEARCH IDEAS

In Sri Lanka, there is a lack of understanding and awareness regarding this embryonic concept of integrated reporting. Many avenues are not discovered in the field of integrated reporting practice within the Sri Lankan context. The primary purpose of an integrated report is to provide information to financial capital providers (IIRC, 2013). However, the impact of integrated reporting on shareholders and other stakeholders has yet to be investigated. Future studies can look into whether integrated reporting meets the expectations of various stakeholders. Use of integrated reporting by various organizational stakeholders to understand organizational value creation and decision usefulness of integrated reporting to different stakeholders can be address (Wahl, 2020).

Further, there is a good opportunity to investigate the internal mechanisms employed by early adopters, since the Sri Lankan companies just run through the early adoption stage of IR implementation. Furthermore, as Sri Lankan companies have adopted IR practice since 2011, the impact of integrated reporting on the long-run capital market performance can be

Citation Information: Priyadarshanie, W.A.N., Yusoff, S.K.B., & Azam, S.M.F. (2023). Integrated reporting practice: evidences from an emerging market. *Academy of Accounting and Financial Studies Journal, 27*(1), 1-15.

examined. Additionally, the relationship between IR and operational, financial and market performance of firms remains still unexplored. Further impact of adopting IR on a firm’s cost of capital could be of interest to managers and regulators. In addition, the impact of integrated reporting on institutional shareholding and the impact of integrated reporting on firm risk is also examinable.

More investigations can be done on the determinations of IR. Many studies were focused on examining institutional factors as motivators of adopting integrated reporting based on institutional theory di Vaio et al. (2020). Other theories such as stakeholder theory, legitimacy theory, and agency theory can also be applied to the determination of IR adoption and quality of IR. Supporting stakeholder theory, Kilic et al. (2021) claimed that stakeholder-oriented firms are motivated for more transparency Barth et al. (2017) Thereby, it can be examined that how pressure from stakeholders affects integrated reporting quality. Through the lens of agency theory, the impact of board characteristics on integrated reporting adoption and quality, the impact of corporate governance mechanisms on integrated reporting, and the impact of ownership structure on integrated reporting can also be studied.

Studies on the determinants of integrated reporting in Sri Lanka have used either a qualitative or quantitative methodology. A mixed-method approach may provide more insights than a single strategy. Another uncovered area is getting assurance for integrated reporting. Independent assurance can be regarded as a disciplinary mechanism to minimize agency conflicts between managers and shareholders. Soriya & Rastogi (2021) have emphasized the need for case studies and empirical research in developing assurance models for integrated reporting. However, very little is known about Kılıç et al. (2020). which assurance practices more effective in improving the quality of integrated reports in the Sri Lankan context. Mechanisms that are most effective in promoting (Deen, 2017). change assurance service standards to accommodate the requirements of integrated reporting can be explored qualitatively. Further, studies can be scheduled to examine the determinants of integrated report assurance in Sri Lanka and the impact of institutional factors on voluntary assurance for integrated reporting.

Integrated reporting has affected some aspects of reporting which have been practiced before implementing IR especially corporate governance. Hence, studies can be performed to identify Tiron-Tudor et al. (2020) how risk management disclosures, intellectual capital disclosures, and corporate governance disclosures have changed under this new reporting regime. A small number of studies to date that address the intersections between intellectual capital and IR. Thereby, several research opportunities present themselves. Researchers can address research questions of whether the use of intellectual capital information to internal and external stakeholders has changed Vesty (2018) because of integrated reporting and value relevance and capital market implications of intellectual capital disclosure in the context of integrated reporting in the future.

Further, it can be researched how the disclosures about social and environmental capitals differ between integrated reports and sustainability reports. All the studies conducted in the Sri Lankan context focused on listed companies in the Colombo Stock Exchange. However, researchers can examine integrated reporting practices among public sector organizations and non-listed companies. It would be suggested to examine integrated reporting practice in non-listed companies and how public sector institutes accomplish transparency through integrated reporting.

One of the interesting areas which are not yet studied is the opportunity cost of adopting integrated reporting. Political and competition costs can be considered as detriments of being more transparent. With the complications that emerge with the Covid-19 pandemics, researchers can examine whether well embedded integrated thinking make organizations more resilient in the face of challenges in a difficult situation.

Citation Information: Priyadarshanie, W.A.N., Yusoff, S.K.B., & Azam, S.M.F. (2023). Integrated reporting practice: evidences from an emerging market. *Academy of Accounting and Financial Studies Journal, 27*(1), 1-15.

CONCLUSION

This paper aims to provide a thorough overview of the academic literature focusing on IR practice in the Sri Lankan context. According to the findings, Sri Lanka has achieved a high adoption level of IR and moving beyond an early adoption stage to a development stage. The structures which have been already established for sustainability reporting has assisted in implementing the integrated reporting regime speedily in the Sri Lankan companies. IR awarding ceremonials, programs, and workshops conducted by professional accounting bodies, pressure from auditors makes normative pressures towards implementing IR practice. Pressures from the competition, global trends, and corporate image and reputation have created mimetic pressure towards adopting IR practice. Code of best practice in corporate governance, IIRF, and influence from the parent company and other stakeholders have generated coercive pressure for implementing IR. All together this study found that large companies tend to adopt IR in the Sri Lankan context.

Further this study revealed that the knowledge on IR is limited among the early adopters. Due to this reason, even though there is a steady increase in the extent of coverage of integrated reports, there is some room for improvements in some areas. Content elements of risk and opportunities, strategy & resource allocation, performance, and outlook are shown as weak reporting areas. Findings revealed that IR has assisted companies in better resource allocation decisions, better identification of opportunities, establishing an integrated corporate culture, and for a greater collaboration across different functions within the company. Further IR has resulted in an increment of market capitalization while improving the value relevance of accounting information. However, complexity of the guidelines given in the IIRF and lack of knowledge and expertise are remaining as the main barrier in adopting IR. Those findings facilitated to the current and potential IR practitioners by providing useful insights. Capital market regulators can gain valuable insights regarding the suitability of implementing IR in Sri Lanka as empirical evidence shows the benefits and value relevance of this revolutionary paradigm in corporate reporting. This paper also sets out the agenda for future research.

The study provides academics, regulators, and reporting entities with insights into aspects of integrated reporting that need further development and need additional evidence to help inform improvements in policy and practice. It identified some areas where more academic research is needed. The foremost limitation of this analysis is that it uses a synthesis of the existing literature which is at quite an early stage of development.

REFERENCES

Abeysinghe, C. (2020). An Assessment of Integrated Performance Reporting: Three Case Studies in Sri Lanka. *Journal of the Institute of Chartered Accountants of Sri Lanka*, *1*-25.

Abeywardana, N.L.E. (2016). Compliance of Integrated Reporting Disclosures with the International Framework of Integrated Reporting – Analysis of Quoted Public Banking Companies in Sri Lanka. *The International Journal of Business & Management*, *4*(3), 342-349.

Abeywardana, N.L.E., Ferdous Azam, S.M., & Kevin, L.L.T. (2021). Theoretical Review On Integrated Reporting. *International Journal of Scientific & Technology Research*, *10*(5), 99-111.

Abeywardana, N.L.E., Ferdous Azam, S.M., & Kevin, L.L.T. (2022). Towards the Sustainability Enhancement: Identification of Impediments on Integrated Reporting. *Universal Journal of Accounting and Finance, 10*(2), 591-600.

Abhayawansa, S., Elijido-Ten, E., & Dumay, J. (2018). A practice theoretical analysis of the irrelevance of integrated reporting to mainstream sell-side analysts. *Accounting & Finance, 59*(3), 1615-1647.

Aceituno, J.V.F., Ariza, L.R., & Sanchez, I.M.G. (2014). Explanatory Factors of Integrated Sustainability and Financial Reporting. *Business Strategy and the Environment, 23(1), 56-72.*

Citation Information: Priyadarshanie, W.A.N., Yusoff, S.K.B., & Azam, S.M.F. (2023). Integrated reporting practice: evidences from an emerging market. *Academy of Accounting and Financial Studies Journal, 27*(1), 1-15.

Adegboyegun, A.E., Alade, M.E., Ben-Caleb, E., Ademola, A.O., Eluyela, D.F., & Oladipo, O.A. (2020). Integrated reporting and corporate performance in Nigeria: Evidence from the banking industry. *Cogent Business & Management*, *7*(1), 1736866.

Anojan, V. (2019). Perception of Accounting Experts on the Implementation of Integrated Reporting in Sri Lanka, *Global Journal of Management and Business Research: D Accounting and Auditing, 19*(1), 62-68

Bananuka, J., Tumwebaze, Z., & Orobia, L. (2019). The adoption of integrated reporting: a developing country perspective. *Journal of Financial Reporting and Accounting*, *17*(1), 2-23.

Barth, M.E., Cahan, S.F., Chen, L., & Venter, E.R. (2017). The economic consequences associated with integrated report quality: Capital market and real effects. *Accounting, Organizations and Society*, *62*, 43-64.

Cooray, T., Gunarathne, A.D.N., & Senaratne, S. (2020). Does Corporate Governance Affect the Quality of Integrated Reporting? *Sustainability*, *12*(10), 4262.

Cooray, T., Senaratne, S., Gunarathne, A. D. N., Herath, R., & Samudrage, D. (2020). Does Integrated Reporting Enhance the Value Relevance of Information? Evidence from Sri Lanka. *Sustainability*, *12*(19), 8183.

Cooray, T., Senaratne, S., Gunarathne, N., Herath, R., & Samudrage, D. N. (2021). Adoption of integrated reporting in Sri Lanka: coverage and trend. *Journal of Financial Reporting and Accounting*, *ahead-of* (ahead-of-print).

Cortesi, A., & Vena, L. (2019). Disclosure quality under Integrated Reporting: A value relevance approach. *Journal of Cleaner Production*, *220*, 745-755.

di Vaio, A., Syriopoulos, T., Alvino, F., & Palladino, R. (2020). "Integrated thinking and reporting" towards sustainable business models: a concise bibliometric analysis. *Meditari Accountancy Research*, *ahead-of*(ahead-of-print).

De Villiers, C., & Hsiao, P.C.K. (2017). Integrated reporting and the connections between integrated reporting and intellectual capital. In The Routledge Companion to Intellectual Capital (pp. 483-491). Routledge.

Guthrie, J., Ricceri, F., Dumay, J., & Nielsen, C. (Eds.). The Routledge Companion to Intellectual Cap. ital, Routledge, London.

Deen, F.F. (2017). The Value Relevance of Integrated Reporting: A Quantitative Study of Listed Companies in the Colombo Stock Exchange Sri Lanka. 3rd International Conference for Accounting Researchers and Educators, University of Kelaniya, Sri Lanka, 54-55.

Dragu, I.M. (2018). Adoption of Integrated Reporting; An Attempt to Reduce the Gaps Between CSR Discourse and Its Implementation. *Redefining Corporate Social Responsibility Developments in Corporate Governance and Responsibility*, *13*, 43-70.

Gunarathne, A.D.N., & Senaratne, S. (2018). Country Readiness in Adopting Integrated Reporting: A Diamond Theory Approach from an Asian Pacific Economy. *Accounting for Sustainability: Asia Pacific Perspectives*, Available at.

Gunarathne, N., & Senaratne, S. (2017). Diffusion of integrated reporting in an emerging South Asian (SAARC) nation. *Managerial Auditing Journal*, *32*(4/5), 524-548.

Gunarathne, N., Wijayasundara, M., Senaratne, S., Kanchana, P.D.K., & Cooray, T. (2021). Uncovering corporate disclosure for a circular economy: An analysis of sustainability and integrated reporting by Sri Lankan companies. *Sustainable Production and Consumption*, *27*, 787-801.

Guthrie, J., Manes Rossi, F., Orelli, R.L., & Nicolò, G. (2020). Investigating risk disclosures in Italian integrated reports. *Meditari Accountancy Research*, *28*(6), 1149-1178.

Hoang, T.G., Vu, T.K., Nguyen, H.T., & Luu, H.N. (2020). Mandatory integrated reporting disclosure and corporate misreporting. *Journal of Applied Accounting Research*, *21*(3), 363-382.

International Integrated Reporting Council (IIRC) (2013), "The international framework", available at www.theiirc.org/wp-content/uploads/2013/12/13-12-08-THE-INTERNATIONAL-IR-FRAMEWORK-2-1.pdf

International Integrated Reporting Council (IIRC) (2021), "The international IR framework", available at https://integratedreporting.org/wp content/uploads/2021/01/ International Integrated ReportingFramework.pdf

Iredele, O.O. (2019). Examining the association between quality of integrated reports and corporate characteristics. *Heliyon*, *5*(7), e01932.

Islam, M.S. (2020). Investigating the relationship between integrated reporting and firm performance in a voluntary disclosure regime: insights from Bangladesh. *Asian Journal of Accounting Research*, *6*(2), 228-245.

Imaningati, S., Ghozali, I., & Yuyetta, E.N.A. (2021). The role of investor pressure on the effect of integrated reporting disclosure on the intellectual capital disclosure. *Academy of Accounting and Financial Studies Journal, 25*(7), 1-07.

Citation Information: Priyadarshanie, W.A.N., Yusoff, S.K.B., & Azam, S.M.F. (2023). Integrated reporting practice: evidences from an emerging market. *Academy of Accounting and Financial Studies Journal, 27*(1), 1-15.

Jayasiri, N.K. (2020). Integrated Reporting in Sri Lanka: An Exploratory Study (Unpublished doctoral dissertation). University of Otago, New Zealand.

Kılıç, M., Uyar, A., Kuzey, C., & Karaman, A. S. (2020). Does institutional theory explain integrated reporting adoption of Fortune 500 companies? *Journal of Applied Accounting Research*, *22*(1), 114–137.

KPMG (2012). Integrated Reporting; Performance insight through Better Business Reporting, 2.

Lakshan, A.M.I (2018). Integrated Reporting in Sri Lankan PLCs (Unpublished doctoral dissertation). The University of Waikato, New Zealand.

Lipunga, A.M. (2015). Integrated Reporting in Developing Countries: Evidence from Malawi. *Journal of Management Research*, *7*(3), 130-156.

Marrone, A., & Oliva, L. (2019). The Level of Integrated Reporting Alignment with the IIRC Framework: Evidence from South Africa. *International Journal of Business and Management*, *15*(1), 99.

Martinez, C.R. (2016). Effects of Integrated Reporting on the Firm's Value: Evidence from Voluntary Adopters of the IIRC's Framework. *SSRN Electronic Journal*. Published.

Mirsadri, S.M., Bardinet-Evraert, F., & Evraert, S. (2021). To what extent are the underlying concepts of integrated reporting applicable for hi-tech knowledge-based organizations? *Sustainability Accounting, Management and Policy Journal*, *12*(3), 522-547.

Obeng, V.A., Ahmed, K., & Cahan, S.F. (2020). Integrated Reporting and Agency Costs: International Evidence from Voluntary Adopters. *European Accounting Review*, 1-30.

Omran, M., Ramdhony, D., Mooneeapen, O., & Nursimloo, V. (2021). Integrated reporting and board characteristics: evidence from top Australian listed companies. *Journal of Applied Accounting Research*, *22*(4), 732–758.

Petcharat, N., & Zaman, M. (2019). Sustainability reporting and integrated reporting perspectives of Thai-listed companies. *Journal of Financial Reporting and Accounting*, *17*(4), 671-694.

Rupley, K. H., Brown, D., & Marshall, S. (2017). Evolution of corporate reporting: From stand-alone corporate social responsibility reporting to integrated reporting. *Research in Accounting Regulation*, *29*(2), 172–176.

Sinnewe, E. (2017). Examining the economic consequences of concise integrated reports: a pitch. *Accounting Research Journal*, *30*(4), 356–361.

Slack, R., & Tsalavoutas, I. (2018). Integrated reporting decision usefulness: Mainstream equity market views. *Accounting Forum*, *42*(2), 184–198.

Soriya, S., & Rastogi, P. (2021). A systematic literature review on integrated reporting from 2011 to 2020. *Journal of Financial Reporting and Accounting*.

Stubbs, W., & Higgins, C. (2014). Integrated Reporting and internal mechanisms of change. *Accounting, Auditing & Accountability Journal*, *27*(7), 1068-1089.

Tiron-Tudor, A., Hurghis, R., Lacurezeanu, R., & Podoaba, L. (2020). The Level of European Companies' Integrated Reports Alignment to the Framework: The Role of Boards' Characteristics. <i>Sustainability, *12*(21), 8777.

Vesty, G.M., Ren, C., & Ji, S. (2018). Integrated reporting as a test of worth. *Accounting, Auditing & Accountability Journal*, *31*(5), 1406–1434.

Wahl, A., Charifzadeh, M., & Diefenbach, F. (2020). Voluntary Adopters of Integrated Reporting – Evidence on Forecast Accuracy and Firm Value. *Business Strategy and the Environment*, *29*(6), 2542–2556.

Zúñiga, F., Pincheira, R., Walker, J., & Turner, M. (2020). The effect of integrated reporting quality on market liquidity and analyst forecast error. *Accounting Research Journal*, *33*(4/5), 635–650.

Received: 25-Jul-2022, Manuscript No. AAFSJ-22-12385; **Editor assigned:** 27-Jul-2022, PreQC No. AAFSJ-22-12385(PQ); **Reviewed:** 10-Aug-2022, QC No. AAFSJ-22-12385; **Revised:** 30-Nov-2022, Manuscript No. AAFSJ-22-12385(R); **Publishe d:** 07-Dec-2022