

**Integrated reporting at a crossroads: A systematic review of research trends, framework limitations, and a refined multi-capital disclosure model**

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**Abstract**

Corporate reporting has advanced swiftly in rejoinder to stakeholder demands for transparency and non-financial information. Integrated reporting (IR) blends financial and non-financial data, promotes integrated thinking, and delivers as a strategic mechanism for value creation. This study systematically reviews 39 Scopus-indexed studies (2010–2025) to chart how IR research has changed, over the years, synthesize trends, and identify gaps. Examining IR's evolution, pointing out the shortcomings of conventional frameworks, and putting forth an improved model that includes multi-capital disclosure, quantitative ESG measurements, stakeholder involvement, and forward-looking reporting are the goals. Results show that IR improves governance, long-term business performance, and stakeholder trust. Research has progressed from early conceptual studies to empirical analyses and recent reviews emphasising ESG integration, value creation, and capital market impacts. High-quality IR improves investor outcomes, while firms increasingly adopt multi-capital reporting, though some areas remain under-disclosed. Current research focuses on tangible impacts rather than adoption alone. Methodologically, empirical studies dominate, with fewer systematic reviews and conceptual frameworks, highlighting both sturdy evidence and areas for theoretical development. Overall, this study presents a refined IR framework integrating strategy, ethics, governance, and stakeholder alignment, offering actionable insights for improving corporate reporting and guiding future research globally.

**Keywords:** Integrated Reporting, Systematic Literature Review, ESG Disclosure, Multi-Capital Reporting, Value Creation, Corporate Governance, Cost Of Equity Capital, Stakeholder Engagement, Refined IR Framework, Sustainability Reporting

**JEL Classification:** M41, G34, M14



## 1. Introduction

Needless to debate that today's firm practices are still shaped by new business risks, increasing regulatory requirements, growing compliance demands for transparency, and expectations for sound and quality corporate governance (Aguilera et al., 2015). To outline new practices for improving the usefulness of company reports in decision-making, Integrated Reporting (IR) combines the traditional financial accounting with sustainability and corporate governance aspects (Adams, 2017). This change results from organisations reviewing and creating reporting procedures in response to changing stakeholder expectations, which have increased demand for a wider variety of information (Eccles & Krzus, 2018). IR offers a cutting-edge method for appraising an organisation's strategy, governance, performance indicators, and value creation over the short, medium, and long terms. Many reputed organisations have enfolded IR techniques since the International Integrated Reporting Council (IIRC) released the framework in 2013, exchanging best practices and insights to encourage wider information dissemination (IIRC, 2021). By combining financial and non-financial performance data, IR confuses the lines between sustainability reporting and financial reporting. A fundamental change in corporate reporting is being driven by growing stakeholder demand for transparency beyond traditional financial statements. Integrated reporting explains how companies produce long-term value by combining financial data with environmental, social, and governance (ESG) factors (IIRC, 2021). ESG disclosures have become more standardised with sustainability reporting guidelines under the International Sustainability Standards Board (ISSB), improving comparability and reliability. Digital reporting tools like XBRL and data analytics enhance the timeliness, accessibility, and comparability of corporate reports. Firms increasingly apply the principle of double materiality to evaluate both financial risks and broader societal impacts, driven by rising investor and regulatory expectations on climate-related financial disclosures. Assurance of non-financial information is vital for bolstering stakeholder confidence. According to Adams (2017), Eccles & Krzus (2018), and Joshi et al. (2019), corporate reporting has evolved from being merely compliant to a strategic communication tool that promotes long-term value generation and informed decision-making. By connecting operational performance to long-term societal and environmental objectives, integrated reporting enhances accountability and transparency and additional breakthroughs in holistic understanding of value creation. In the end, this strategy promotes sustainable business practices by helping investors and serving the interests of workers, communities, regulators, and other stakeholders.

Finally, the development of integrated reporting highlights the increasing significance of this field's study. The efficacy of IR in influencing corporate decision-making, enhancing stakeholder involvement, and facilitating sustainable transitions is the subject of growing academic research (Adams, 2017; IIRC, 2021). Future research is required to assess best practices, gauge impacts on long-term value creation, and investigate integrating cutting-edge technologies like blockchain and

artificial intelligence to improve reporting quality. Continuous investigation ensures IR adapts to the ever-changing needs of international business settings.

Therefore, the objectives of this study are as follows:

- Investigate the evolution of Integrated Reporting (IR) and synthesise trends from current empirical research.
- Identify limitations of the traditional IR model, including inconsistent standards, narrative-heavy disclosures, and limited stakeholder engagement.
- Propose a refined IR framework integrating quantitative ESG metrics, multi-stakeholder involvement, and forward-looking reporting.
- Demonstrate IR's practical relevance through real-world examples (e.g., Novo Nordisk) and provide actionable insights for improving strategic, ethical, and performance-orientated corporate reporting.

Five Sections make up the rest of this paper. A thorough assessment of the literature as well as research and knowledge gaps is presented in Section 2. A theoretical viewpoint on pertinent IR theories is also provided in this Section. The methodology and selection of research from SCOPUS-indexed journals published between 2010 and 2025 are covered in Section 3, along with a discussion of trends and patterns in the findings of the 39 chosen studies. Section 4 discusses the shortcomings of the conventional IR model and contrasts them with the proposed improved framework. Additionally, it offers a description of each framework component as well as an inventive, enhanced framework backed by study findings. The study's conclusions and recommendations for further research are concluded in Section Five.

## 2. Literature Review

The adoption and dissemination of integrated reporting (IR) have grown significantly, reflecting a global trend toward greater transparency and integrated corporate reporting (Tiron-Tudor et al., 2020). Despite this growth, the field remains fragmented, with research examining diverse aspects such as IR drivers, adoption rates, reported benefits, and financial impacts. Studies indicate that organisational characteristics—such as size, governance structures, and profitability—affect both the likelihood and quality of IR implementation (Bagade et al., 2024; Alatawi et al., 2024). Research on corporate governance emphasises the role of board diversity and audit committee attributes in enhancing IR quality and transparency, suggesting that effective oversight is critical to successful disclosure practices. Empirical evidence on the financial implications of IR is mixed. While some studies find that high-quality IR disclosure improves long-term investor decision-making, others report negligible effects in certain contexts, such as South Africa (Mokabane, 2022). Content analyses exploring links between IR and financial performance measures, including ROA and ROE, have produced contrasting results: positive associations are reported in



Brazil and Turkey, whereas other studies found insignificant effects (Sarioglu et al., 2025). Emerging evidence suggests that disclosure quality is a key determinant of value creation across both emerging and developed markets, with institutional ownership and digital economy contexts serving as important moderating factors. IR is related to strategic and stakeholder-oriented advantages that go beyond financial outcomes. In addition to improving media legitimacy and reputational capital, transparency and integrated ESG reporting also encourage stakeholder participation and strategic decision-making (Joshi, Abdullah, & Predeeban, 2018; Bagade et al., 2024; Sarioglu et al., 2025). Additionally, some research shows that IR can reduce the cost of capital when paired with high ESG performance, however these advantages vary depending on market and regulatory contexts. Furthermore, ESG risk management is supported by excellent IR transparency, which lowers perceived risk and promotes sustainable activities.

Despite these insights, several gaps remain. Research calls for standardised measures of IR quality, longitudinal studies to establish causal relationships, and exploration of contextual moderators such as governance environments, investor sophistication, and regulatory frameworks. Overall, while evidence increasingly supports the strategic and financial advantages of IR, inconsistencies and contextual factors highlight the limitations of traditional IR frameworks and underscore the need for a refined approach that integrates quantitative ESG metrics, multi-stakeholder engagement, and forward-looking reporting.

## 2.1 Theoretical Framework

Many theoretical frameworks have been used to conceptualise integrated reporting (IR), each of which explains why businesses use this strategy and how it benefits stakeholders as well as businesses (Joshi, 2018). According to stakeholder theory, businesses create integrated reports to satisfy the information requirements of many stakeholders, not only shareholders. For example, businesses inform workers, communities, and investors about their social and environmental effects in order to promote stakeholder participation and decision-making (Freeman, 1984). IR reconciles conflicting viewpoints by reporting on both financial performance and environmental, social, and governance (ESG) results, according to shareholder theory, which emphasises value generation for shareholders (Jensen & Berg, 2012). By presenting IR as a tool for coordinating business operations with society expectations, legitimacy theory enhances these insights even further. Businesses use sustainability and governance disclosures to preserve their credibility, particularly in situations where social or environmental issues may otherwise undermine their societal acceptance (Deegan, 2002). This idea is further supported by institutional theory, which explains IR adoption as a reaction to industry standards, regulatory constraints, and more general socio-political and cultural expectations. To establish credibility and carry on with business as usual, companies frequently imitate their peers and adhere to institutional regulations (DiMaggio & Powell, 1983).

Further explanations from the viewpoint of information asymmetry are offered by agency theory and voluntary disclosure theory (VDT). By connecting financial and non-financial performance, IR, according to agency theory, minimises agency conflicts and aligns management and shareholder interests by reducing the knowledge gap between managers and shareholders (Jensen & Meckling, 1976). In order to improve transparency and lessen uncertainty, VDT expands on this by suggesting that companies voluntarily provide pertinent and helpful information to stakeholders, even outside of the bounds of the law (Balakrishnan et al., 2019; Guidry & Patten, 2012; Lobo & Zhou, 2001). A contrasting perspective is provided by signalling theory, which posits that value-added integrated reports serve as signals to the capital market, communicating better long-term value generation and good governance procedures (Spence, 1973). When taken as a whole, these viewpoints show that IR is a strategic instrument for enhancing stakeholder connections, preserving credibility, lessening information asymmetry, and communicating business excellence rather than just a compliance activity. In conclusion, IR is the outcome of several theoretical frameworks congregating. While agency, voluntary disclosure, and signalling theories emphasise transparency, trust-building, and market signalling; stakeholder and shareholder theories underscore its hybrid utility in balancing interests; and legitimacy and institutional theories emphasise social and regulatory alignment. By combining these approaches, IR implementation becomes a proactive tactic to generate organisational value as well as a response to external challenges.

Although interest in IR is growing, there are still a lot of unanswered questions. There is conflicting evidence regarding how IR affects financial performance; some studies (Albetairi et al., 2018; Wen et al., 2017) indicate favourable impacts, while others find little influence. The majority of studies use small samples or short-term panels, which limits generalisability (Sriani & Augustia, 2020). Understudied contextual elements include company governance, board composition, and institutional ownership (Necib & Jarboui, 2023). Inconsistent IR quality criteria continue to make cross-country and cross-industry comparisons difficult, and it is still unclear how IR affects investor choices and capital markets (Pamungkas et al., 2022; Cruz et al., 2024).

### 3. Methodology and Study Selection

To make sure an appropriate and pertinent sample, the literature review was limited to just 39 research studies that were published in Scopus-indexed journals between 2010- 2025 periods. Only studies that specifically addressed integrated reporting—including its adoption, frameworks, and effects on financial performance and stakeholder engagement—were included. Non-Scopus articles, conference papers, book chapters, and reports were not included. Using terms like "integrated reporting", "IR adoption", "integrated thinking", and "sustainability reporting", a preliminary search was carried out. In order to find pertinent research, titles and abstracts were evaluated, eliminating those that fell outside the parameters of integrated reporting or the designated time period. A full-text review was then carried out to make sure that papers offering

conceptual insights or empirical evidence on IR frameworks, gaps, and evolution were included. A final sample of 39 papers was produced as a result of this procedure, and it was evaluated to find important trends and unmet research needs.

The chosen Scopus-indexed research papers from 2010 to 2025 outline the evolution of IR focusing on its effects on governance, financial performance, and stakeholder interactions. Research by Izzo et al. (2025) identifies institutional and stakeholder influences on IR adoption and reporting quality. The findings underline IR's increasing significance in stimulating accountability and sustainable corporate practices.

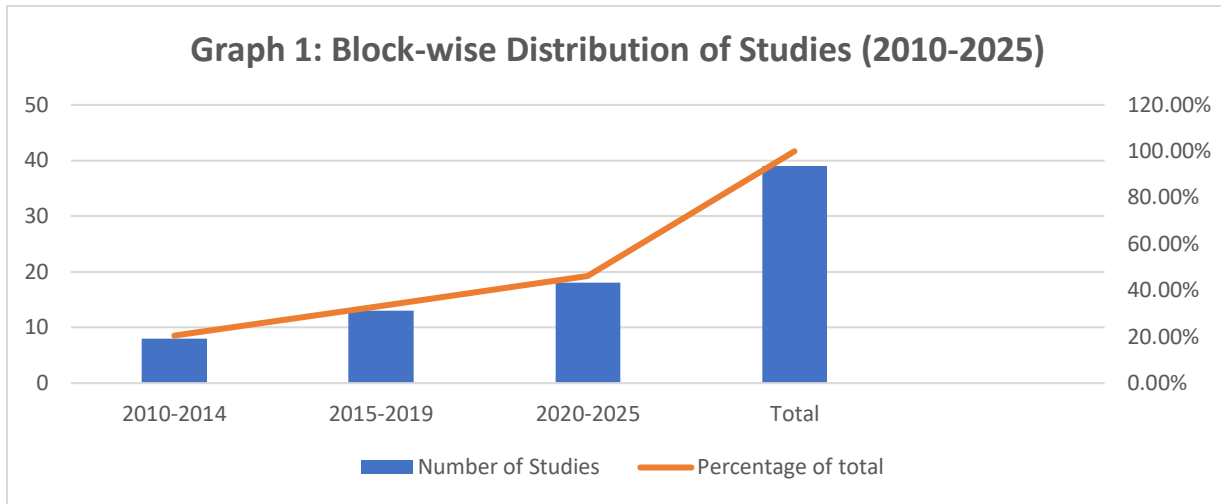
### 3.1 Trends and Patterns

#### 3.1.1 Year Block-wise Distribution of Studies (2010-2025)

Initially, the studies were divided into three blocks to reflect how the research had progressed (Table 1). This methodical methodology made it possible to identify gaps, visualise trends clearly, and provide a solid basis for suggesting an improved IR framework.

**Table 1. Block- Distribution of Studies (2010-2025)**

Year Block	Number of Studies & Percentages	Explanation
2010-2014	8 (20.5%)	The conceptual stage is early, the framework is underdeveloped, and limited approval of IR.
2015-2020	13 (33.3%)	Research on corporate value, financial performance, and capital market implications has attracted academic interest in and implementation of IR. As IR quality and disclosure methods were evaluated, empirical research evolved more prevalent.
2020-2025	18 (46.2%)	ESG integration, sustainability demands, and legislative advancements all contributed to the development of IR research. The focus shifted to value creation for stakeholders, governance, cost of capital, and IR quality.
Total	39 (100.0%)	IR research advanced from early studies to refined analyses, stressing on quality, governance, holistic capitals, digital adaptation, and adoption.



From Table 1, it is clear that there was only 20.5% of research conducted between 2010 and 2014, which indicates low acceptance and an early conceptual stage. Growth (33.3%) is seen between 2015 and 2020 due to growing interest and preliminary empirical research. Additionally, this stage highlights weaknesses and contradictions in conventional IR frameworks. The majority of IR studies (46.15%) were published during 2020–2025, indicating a significant rise in recent research interest. Recent growth (2020–2025) is driven by the increasing integration of ESG and sustainability into corporate reporting, which has significantly expanded interest in Integrated Reporting (IR) (Hossain & Shamsuddin, 2025). Additionally, recent literature shows a resurgence in IR research due to its role in value creation and governance frameworks. Furthermore, the trends show that high-quality integrated reporting improves capital market outcomes, including lower cost of equity, as investors value credible disclosures (Vitolla et al., 2020). Firms increasingly adopt multi-capital reporting, emphasizing financial and social capitals, while natural capital remains under-disclosed (Steenkamp et al., 2025). IR research is shifting from adoption to assessing tangible impacts and real outcomes (Khan & Sharif, 2025).

### 3.1.2 Continent-wise Distribution

Table 2 and Graph 2 shows the presentations and trends of the studies continent-wise distributions between 2010-2025.

**Table 2. Continent-wise Distributions of the Studies**

Continents/Regions	Number of Studies	Percentage
Europe	10	25.6%
Asia	7	17.9%

Oceania	4	10.3%
Africa	6	15.4%
North America	4	10.3%
Global/Mixed	8	20.5%
Total number of studies	39	100.0%

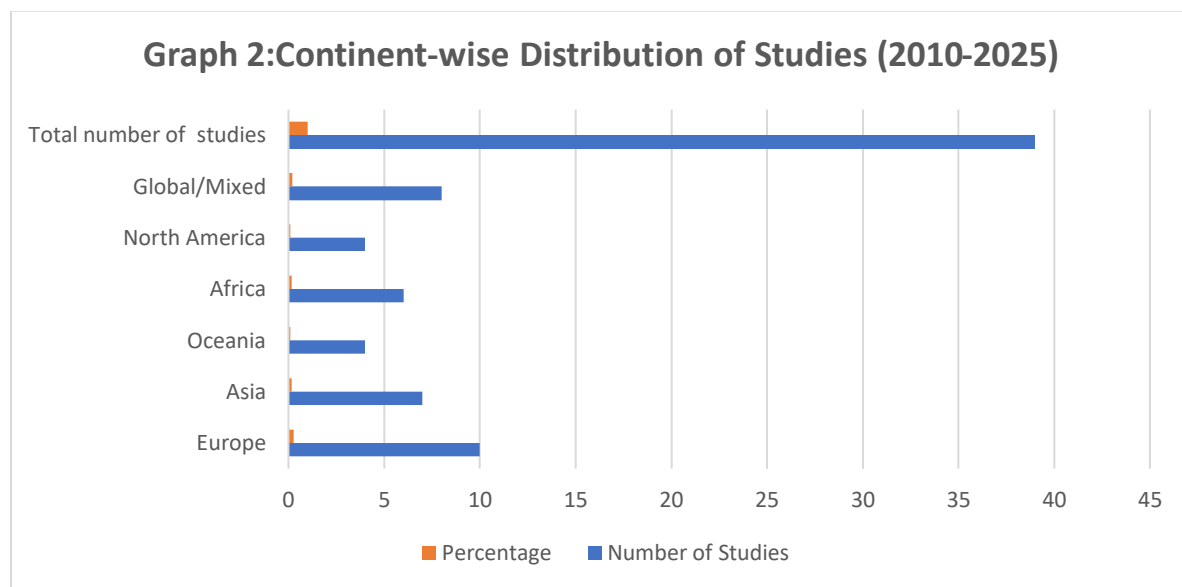


Table 2 and Graph 2 reflects the following trends and patterns: Europe accounts for the highest share (25.6%), indicating its dominance in IR studies. Global/mixed studies (20.5%) highlight a strong trend toward comparative and transnational research. While, Asia (17.9%) and Africa (15.4%) show moderate representation, reflecting growing academic attention. Oceania (10.3%) and North America (10.3%) have the lowest and equal shares. The relatively lower share of North America is somewhat unexpected given its traditional influence.

Overall, the distribution suggests a regional imbalance in IR research output. There is a gradual shift toward broader, more inclusive and globally focused perspectives. Over time, research has shifted from conceptual (2010–2014) to empirical (2015–2020) and then to review-based studies (post-2020). The rise in global comparative and systematic reviews indicates the maturation and consolidation of the IR field. Persistent regional imbalances highlight limited contributions from less-regulated markets, creating scope for future research expansion.

3.1.3 Methodological Issues

**Table 3. Methodological Analysis**

Method Type	Examples	Number of studies	Percentage
Empirical/quantitative	Balakrishnan et al. (2019), Vitolla et al. (2020)	12	30.7%
Systematic literature review	Rauschenberger et al. (2025), Alatawi et al. (2024)	5	12.8%
Qualitative/case study	Frias-Aceituno et al. (2014)	9	23.1%
Conceptual frameworks/mixed methods	Adams (2017), De Villiers et al. (2017), Pigatto et al. (2023)	4	10.3%
Descriptive / Exploratory	Stubbs & Higgins (2014), Wang et al. (2020)	9	23.1%
Total		39	100.0%

A perusal of results presented in Table 3 demonstrates that the research methodology in the 39 selected studies' profile is forceful, with empirical studies at the top (30.7%) and qualitative/case and descriptive approaches (23.1% each) making certain situational and diagnostic intensities. However, limited systematic reviews (12.8%) and conceptual procedures (10.3%) show limits in theory-building and synthesis, which is consistent with recent IR assessments that reflect the dominance of empirical approaches (Alatawi et al., 2024).

**4. Limitations and Shortcomings of Traditional Intergrate Reporting Framework and Suggested Refined Framework**

The traditional integrated reporting (IR) framework has several notable limitations. First, information overload is common, which reduces stakeholder usability by presenting excessive data without clear prioritisation (Alshdaifat et al., 2024). Second, implementation challenges arise, particularly for smaller organisations lacking the resources or expertise to produce comprehensive reports (Permatasari & Tjahjadi, 2024). Third, the principles-based approach can lead to uneven reporting and poor cross-organisational comparability (Alshdaifat et al., 2024). Fourth, reporting often remains superficial, as guidance on linking financial and non-financial data is limited (Rauschenberger et al., 2025). Fifth, focusing predominantly on investor needs may marginalise other stakeholders. Sixth, high preparation costs can discourage adoption. Seventh, in some cases, IR encourages symbolic compliance rather than genuine integrated thinking. Finally, empirical research highlights ongoing challenges in assessing IR effectiveness and quality (Permatasari & Tjahjadi, 2024). Although conventional IR integrates financial, social, and environmental reporting, it still faces inconsistent standards, narrative bias, and limited stakeholder relevance (de Villiers, Hsiao, & Maroun, 2017). For example, Novo Nordisk employs IR in its annual reports,



improving transparency and stakeholder confidence; however, traditional IR may under-represent real-time ESG risks and lacks robust quantitative metrics for diverse stakeholders. Studies show IR quality varies widely, with persistent gaps in linking financial and non-financial content and practical application (de Villiers et al., 2017). A refined IR framework addresses these gaps through standardised protocols, measurable ESG KPIs, and broader stakeholder engagement. It supports dynamic, real-time reporting and scenario analysis via digital platforms to capture forward-looking value creation, enhancing comparability, accountability, and long-term decision-making.

Based on the literature review and the identified gaps in traditional IR, Table 4 presents a comparison between the conventional IR framework and the refined framework proposed in this study. This comparison highlights improvements in strategy, risk oversight, ethics, stakeholder alignment, and digital integration, forming a foundation for the refined IR model.

**Table 4. Refined IR Compared to Traditional IR**

Feature	Conventional IR	Refined /Suggested IR Framework
Concentration	Financial & ESG Insights	Holistic value creation, integrating strategy, risk, ethics, and digital assurance
Risk oversight	Narrative approach to risk	External risk evaluation framework
Results metrics	Narrative and ratio analysis	Quantitative & qualitative, forward-looking, integrated
Shareholder alignment	Narrow multi-stakeholder focus	Links stakeholder interests with ethics, risk & performance
Governance & Ethics	Voluntarily reporting	Ethical leadership underpins trust and credibility
Technology and digitisation	Understated	Digital trust drives transparency & accuracy
Time perspective	Primarily historical reporting	Future-focused, scenario-based, real-time insights (outlook & digital trust)

Source: Author’s Analysis Based on Literature ( e.g., Cruz, et ., 2024; Sciulli & Adhariani, 2023).

The traditional IR framework focuses more on financial and ESG reporting; it depends heavily on narrative and historical metrics, resulting in limited risk oversight, and minimally leverages technology. Shareholder alignment is often narrow, focusing on selected stakeholder interests. In contrast, the refined IR framework suggests a holistic approach, integrating strategy, ethics, risk management, and digital assurance. It combines forward-looking quantitative and qualitative metrics, aligns stakeholder interests with performance and ethical considerations, and emphasises ethical leadership to enhance trust. Technology and digital mechanisms enhance transparency and accuracy, while scenario-based reporting provides real-time, future-focused insights. Overall,

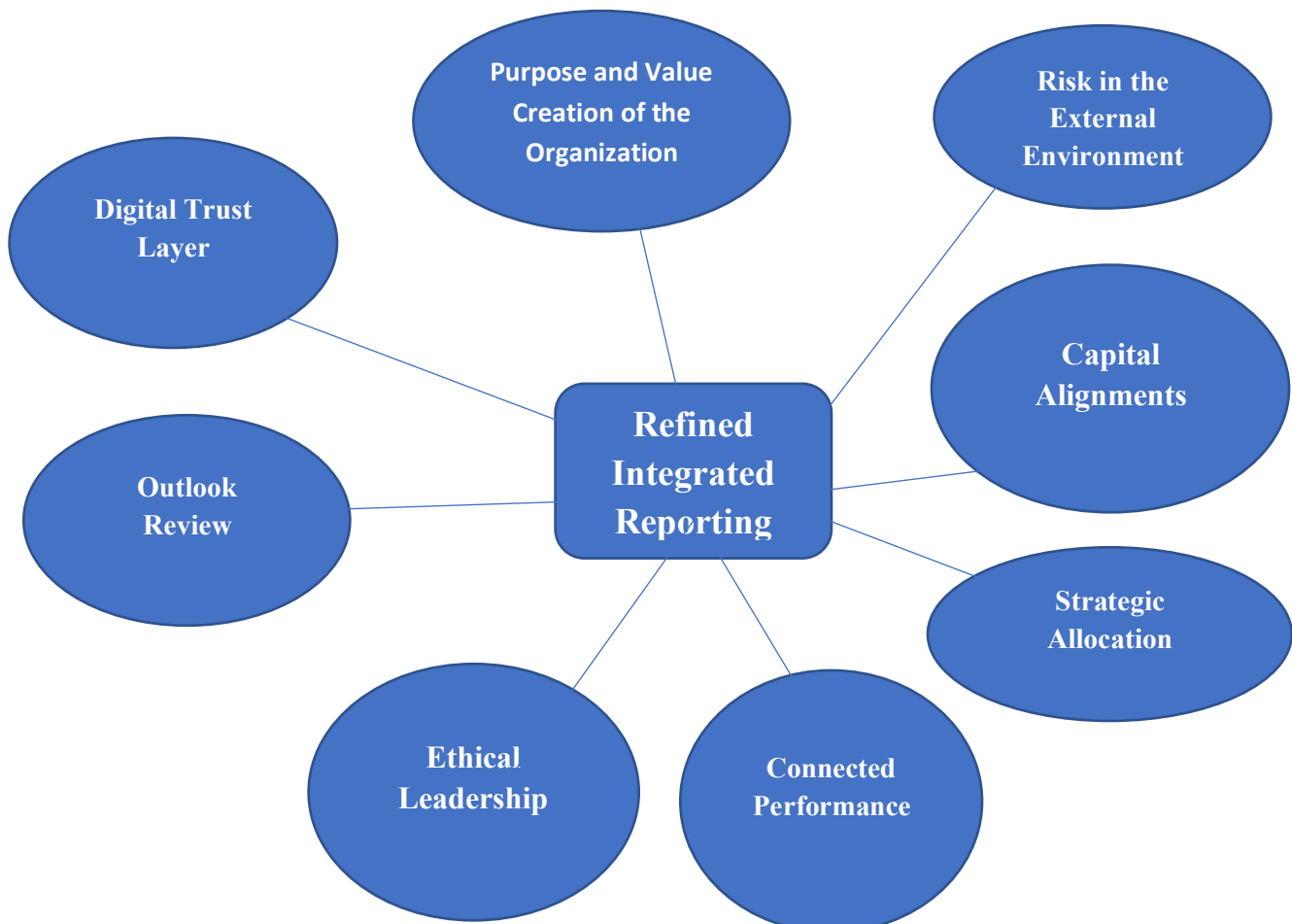
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refined IR switches from reactive reporting toward proactive value creation and a thorough handling of stakeholders.

#### 4.1 Refined Integrated Reporting (IR) Framework Supported by Academic Evidence

The following are the descriptions for each component of the refined framework (Figure 1).

**Figure 1. Author's Conceptual Framework Developed from Synthesis of Prior Literature Review**



**i) Value and Purpose Establishment of the Organisation:** IR, which links financial and non-financial outcomes in the context of the external environment, calls for businesses to narrate how strategy and governance sow the seeds of long-term value creation (IIRC, 2021). IR produces a thorough account of an organisation's strategy, governance, performance, and prospects to explain value creation throughout time, improving stakeholder knowledge, according to academic study (Izzo et al., 2025). Integrated reporting frameworks simplify comprehensive value creation disclosures that go beyond conventional financial reporting indicators, according to empirical and literature synthesis studies (Izzo et al., 2025). Stakeholders are better able to assess how resources

and governance add to sustainable value as per these disclosures, which also increase openness. Businesses link long-term strategy with broader stakeholder expectations by integrating IR into organisational communication.

**ii) Risk in the External Environment:** Beyond historical data, a strong IR framework includes an analysis of risks and opportunities ensuring from the external environment (economic, regulatory, social, and environmental) in its disclosures. These elements are of significance to the structure of integrated reporting, according to recent research, which emphasises that integrated reporting includes broader ESG and external environmental factors to enhance decision-making and stakeholder understanding (Zhang et al., 2024).

**iii) Capital Alignment:** To present a comprehensive picture of value creation, integrated reporting (IR) employs the six capitals: financial, manufactured, intellectual, human, social & relationship, and natural (IIRC, 2021; Pigatto et al., 2023). According to empirical research, revealing several capitals enhances comprehension of value creation procedures and long-term sustainability effects (Pigatto et al., 2023). The legitimacy and use of IR reports are increased when these capital are in line with governance and performance metrics.

**iv) Strategic Allocations:** According to Azmiyanti and Sukiswo (2022), integrated reporting (IR) requires the allocation of resources (capitals) and the disclosure of strategy in order to attain strategic goals. Additionally, it connects inputs to results and prioritises long-term planning above short-term indicators. According to research, strategy and resource allocation are critical elements of IR's content (Azmiyanti & Sukiswo, 2022).

**v) Connected Performance:** To show effects on value creation, enhance market valuation, and provide investor insights, IR links financial and non-financial variables (Iqbal et al., 2025). Ethical leadership disclosures offer clarification on the governance oversight of strategy, risk, sustainability, and capital oversight. According to research, governance quality controls the cost of equity, which is reduced by high-quality IR (Iqbal et al., 2025). These components improve long-term capital allocation efficiency and stakeholder trust.

**vi) Ethical Leadership Disclosures:** IR reports should narrate how leadership accommodates strategy, risk, sustainability, and capital stewardship in order to improve governance transparency (Iqbal et al., 2025). Empirical evidence shows that higher-quality integrated reporting disclosures are significantly associated with reduced implied costs of equity capital because robust governance practices lessen investor information asymmetry (Iqbal et al., 2025). The outcomes of the capital market are therefore affected by the interplay between reporting quality and governance quality. Incorporating stories about moral leadership raises stakeholder confidence and may sharpen capital allocation efficiency.

**vii) Outlook Evaluations:** Integrated reporting (IR) frameworks should provide forward-looking disclosures—scenarios, issues, and opportunities—to assist stakeholder decision-making and

long-term value creation (IASB & ISSB, 2021). Strategic foresight is necessary to anticipate hazards and fully integrate financial, environmental, social, and governance (ESG) data (Eccles & Krzus, 2018). Accountability and transparency across reporting domains are enhanced by information connection. Predictive insights from scenarios may ensure the framework's applicability in dynamic corporate situations.

**viii) Digital Trust Layer:** To enhance report reliability, comparability, and decision usefulness throughout market sectors, a refined framework integrates third-party assurance and strong digital data governance (e.g., XBRL tagging); emerging research underlines the critical role that assurance providers and improved digital controls play in enhancing trust in integrated reporting ecosystems (Hodge, Subramaniam, & Stewart, 2009). Previous studies highlight audits should evolve to continuous, system-based assurance.

Thus, this proposed framework indicates that it is minimal, powerful, and highly flexible. It conveys the core idea without unnecessary words, and it's widely acceptable across technical and business contexts. Supported by prior research and the IFRS Foundation's framework guidelines, this improved IR framework combines classic IR components with improved governance, external risk context, capitals, forward-looking insights, and assurance procedures.

## 5. Concluding Remarks and Direction for Future Research

### 5.1 Conclusions

Integrated Reporting (IR) has emerged as a transformative approach to corporate reporting, gaining traction both in practice and research. The systematic review of 39 Scopus-indexed studies from 2010 to 2025 reveals a clear evolution of IR research: from early conceptual discussions (2010–2015) to empirical evaluations highlighting gaps in the traditional IR model (2016–2020) and finally to a refinement phase emphasising quality, governance, multi-capital disclosure, and digital integration (2021–2025). Evidence indicates that high-quality IR disclosure can enhance stakeholder engagement, improve transparency, and support strategic decision-making. Some studies report positive financial impacts, such as enhanced ROA, ROE, and reduced cost of capital, though these effects vary across institutional, market, and regulatory contexts. Strategic benefits, including improved ESG risk management, reputational capital, and media legitimacy, further underscore IR's potential to create long-term value.

However, the review highlights persistent limitations in traditional IR frameworks, including inconsistent measurement of IR quality, limited consideration of contextual moderators (such as governance, institutional ownership, and regulatory environments), and insufficient analysis of cross-industry and cross-country variations. Building on these discoveries, this study suggests an improved IR framework that incorporates governance procedures, quantitative ESG measurements, multi-capital disclosure, and forward-looking reporting. By filling in these gaps and providing an organised basis for upcoming empirical validation, the suggested framework improves accountability, transparency, and strategic alignment. Future research should focus on

assessing the causal impacts of IR on both financial and non-financial performance, exploring its role in investor decision-making, and evaluating outcomes across emerging and developed markets. By combining traditional financial metrics (e.g., ROA, ROE, Tobin's Q) with forward-looking and ESG-orientated measures, further studies can provide a more holistic understanding of IR's value creation potential. Overall, IR represents a promising paradigm that bridges financial and non-financial reporting, offering both practical guidance for corporate decision-makers and a robust foundation for ongoing academic inquiry.

## 5.2 Directions for Future Research

Future research on IR should focus on cross-cultural variations in adoption and their implications for value creation, considering the fact that there has been limited evidence regarding the cultural influences on IR implementation. The findings from a study by García-Sánchez and Noguera-Gámez (2017) indicate that cultural factors might influence the link between IR adoption and cost of capital and may be related to Hofstede's cultural dimensions. Additionally, the impact of IR on capital market reactions, such as firm valuation and cost of equity, is significant, with Lee and Yeo (2016) finding a positive correlation between IR quality and firm valuation. Vitolla et al. (2020) note that high-quality IR can lower the cost of equity capital, while Iqbal et al. (2025) illustrate that the quality of corporate governance affects the relationship between IR quality and capital costs, emphasising the importance of organisational context in value creation.

Longitudinal studies could provide further evidence on how IR adoption affects financial performance over time and whether improvements in IR quality may lead to sustained reductions in capital costs. Additionally, the motivations behind IR preparation, such as legitimacy-seeking in firms with weaker corporate social responsibility practices, require empirical testing. Future studies should also examine auditor challenges in evaluating forward-looking information and investors' perceptions of the incremental value of IR disclosures. Controlling for ownership structure, governance mechanisms, firm age, and technology adoption may help isolate the true effects of IR. Finally, standardising IR quality measurement frameworks, potentially via checklists, could enhance comparability across firms and markets, supporting more robust empirical investigations.

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## APPENDIX-1

**Integrated Reporting Studies (2010–2025)**

Researchers	Year of publications	Name of Journal	Main Findings
Jensen & Meckling	2010	Journal of Financial Economics, 3 (4)	Agency theory applied to IR context. Explains managerial behaviour.
Eccles & Armbrester	2011	IESE Insight, 8(8)	By integrating sustainability and financial data, early integrated reporting improves decision-making and transparency and strengthens strategic alignment.
Adams & Simnett	2011	Australian Accounting Review, 21(3)	IR enhances transparency and stakeholder communication. Adoption was limited.
Adams et al.	2014	Sustainability Accounting, Management & Policy Journal, 5(1)	Sustainability measurement in the public sector is inconsistent and integration is limited.
Cheng et al.	2014	Journal of International Financial Management & Accounting, 25 (1)	It identified key integrated reporting issues, emphasise consistency, and propose a structured future research agenda.
Stubbs & Higgins	2014	Accounting, Auditing & Accountability Journal, 27(7)	While early adopters of Integrated Reporting (IR) are improving engagement with financial sustainability through minor reporting adjustments, organisational practices and value creation narratives are not significantly changing as a result.
Frias-Aceituno et al.	2014	Business Strategy & Environment, 23 (1)	Institutional factors drive IR adoption. IR improves sustainability reporting.
Balakrishnan et al.	2014	Journal of Finance, 69(5)	Voluntary disclosure enhances stock liquidity, improves market response, and increases transparency, reducing information asymmetry for investors.

Boonlua & Phankasem	2016	Journal of Business & Retail Management Research, 10(2)	IR adoption improves engagement. Disclosure varies by industry.
Lee & Yeo	2016	Review of Quantitative Finance & Accounting, 47(4)	IR positively impacts firm valuation. Market reacts to high-quality reports.
Barth et al.	2017	Accounting, Organizations & Society, 62	High-quality IR linked to economic effects. Capital markets affected.
Velte & Stawinoga	2017	Journal of Management Control, 28 (3)	Examines empirical IR research, emphasising its advantages, methodological drawbacks, and potential avenues for further investigation.
Adams	2017	Accounting, Auditing & Accountability Journal, 30(4)	Explains how reporting, strategy, governance interconnect to support value creation
García-Sánchez & Noguera-Gámez	2017	International Business Review, 26 (5)	IR reduces cost of capital. Transparency improves.
McNally et al.	2017	Meditari Accountancy Research, 25 (4)	When creating integrated reports, preparers must deal with issues related to processes, systems, and comprehension.
Zhou et al.	2017	Abacus, 53(1)	IR influences capital markets. Disclosure quality affects investors.
Wen et al.	2017	Management Accounting Review, 16(2)	IR linked to financial performance. Improves decision-making.
De Villiers, Hsiao, & Maroun	2017	Meditari Accountancy Research, 25(4)	It outlines future research directions and offers a conceptual model that identifies the major factors influencing the adoption and implementation of integrated reporting.

De Villiers et al.	2017	Accounting & Finance, 57(4)	Provides overview, measurement issues, approaches, and agenda for integrated reporting.
Haji & Ghazali	2017	Journal of Intellectual Capital, 18(2)	Integrated reporting adoption increased disclosure quality, especially intellectual and human capital.
Balakrishnan et al.	2019	Journal of Accounting & Economics, 67(1)	Voluntary disclosure reduces information asymmetry, improves stock pricing, and enhances investor decision-making, promoting more efficient and transparent markets.
Wang, Zhou & Wang	2020	European Accounting Review, 29(4)	Corporate governance mechanisms positively influence IR quality and the use of credibility-enhancing mechanisms in integrated reports.
Tiron-Tudor et al.	2020	Sustainability, 12 (21)	The quality of integrated reports from European companies is influenced by board characteristics.
Vitolla et al.	2020	Business Strategy & Environment, 29(2)	High-quality IR reduces cost of equity. Improves investor decisions.
Veltri & Silvestri	2020	Business Strategy and the Environment, 29(8),	Although reporting quality varies, IR disclosure adds value.
Sun et al.	2022	Frontiers in Psychology, 13	Multiple capitals disclosure affects markets. Investor understanding improves.
Soriya & Rastogi	2022	Journal of Applied Accounting Research, 24(1)	Firm financial performance is enhanced by integrated reporting, which has more implications for compliance.
Pigatto, Cinquini, Ten ucci & Dumay	2023	Business Strategy & the Environment, 14(7)	Six capitals are mentioned in integrated reports, but they frequently lack substance, materiality, stakeholder focus, and long-term value.

Fayad et al.	2023	Meditari Accountancy Research, 32(3)	Adoption of voluntary disclosure is driven by business characteristics, while industry concentration decreases integrated reporting.
Burak & Rizvić	2023	Journal of Risk & Financial Management, 16(7)	IR linked to cost of capital in emerging markets. Mixed evidence.
Alatawi et al.	2024	Corporate & Business Strategy Review, 5(2)	The theories, factors, results, and techniques utilised in integrated reporting research are summarised in this paper's systematic evaluation of 27 IR studies published between 2006 and 2023.
Permatasari & Tjahjadi	2024	Meditari Accountancy Research, 32(3)	There are gaps in compliance, variable IR quality, and a need for standardised reporting systems.
Mushwana, Chikutuma, & Erin	2024	Cogent Business & Management, 11(1)	It reports a positive association between IR assurance and investment decision-making, showing valid, assured IR enhances investor confidence and decision-making.
Gaia et al.	2025	Meditari Accountancy Research, 33(3)	Stronger integrated disclosures improve media legitimacy by lowering unfavourable media exposure.
Iqbal et al.	2025	PLOS ONE, 20(6)	IR quality reduces cost of equity. Governance moderates effect.
Izzo et al.	2025	CSR & Environmental Management, 32(4)	Stakeholder-oriented IR quality enhances sustainable disclosure and engagement benefits.
Murat & Sarioglu	2025	Sustainability, 17(11)	Corporate governance influences IR & ESG ratings.
Rauschenberger et al.	2025	Management Review Quarterly	IR constructs are categorised by systematic review, which also identifies



		(file:///C:/Users/pljos/Downloads/s11301-025-00507-7%20(4).pdf )	measurement gaps and research priorities.
Steenkamp et al.	2025	South African Journal of Business Management, 56(1)	Businesses are disclosing more and more capital; social and financial capital are the most common, while natural capital is the least.