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# Quality, determinants and consequences of integrated reporting in South Africa

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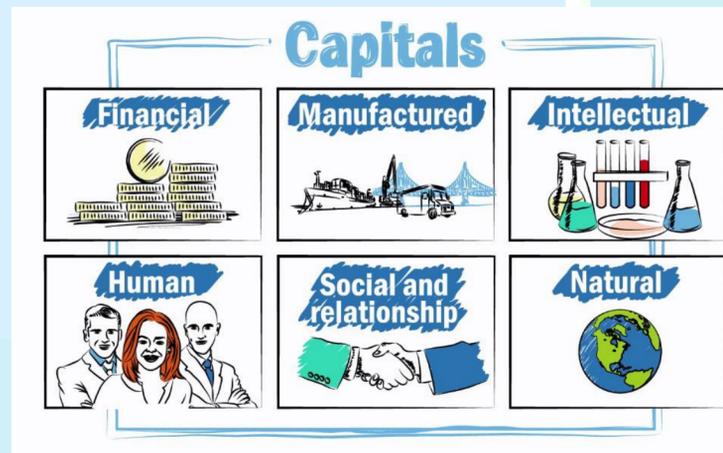
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# Quality, Determinants and Consequences of Integrated Reporting in South Africa

## 1 What is Integrated Reporting (IR) ?

- A new corporate reporting framework that reports **financial and sustainability information** in a single document showing their connection.
- IR seeks to address the **lapses in traditional standalone reporting approaches** which has been criticised (Robertson & Samy, 2015).
- Involves communication of **strategy, governance, performance and prospects leading to the creation of value** (IIRC, 2013, pp. 7).



## 3 Research Questions

- Focusing on the South-African context which is the only **mandatory context** for IR practice and thus providing opportunity to study IR over a longer period the following questions are posed;
  - How does quality of IR improve the quality of accounting information?
  - How does the quality of IR affect the sustainability performance of compliant firms?
  - How does corporate governance affect the quality of IR?
  - How does financial performance determine the quality of IR?
  - How does political visibility determine the quality of IR?

## 4 Methods

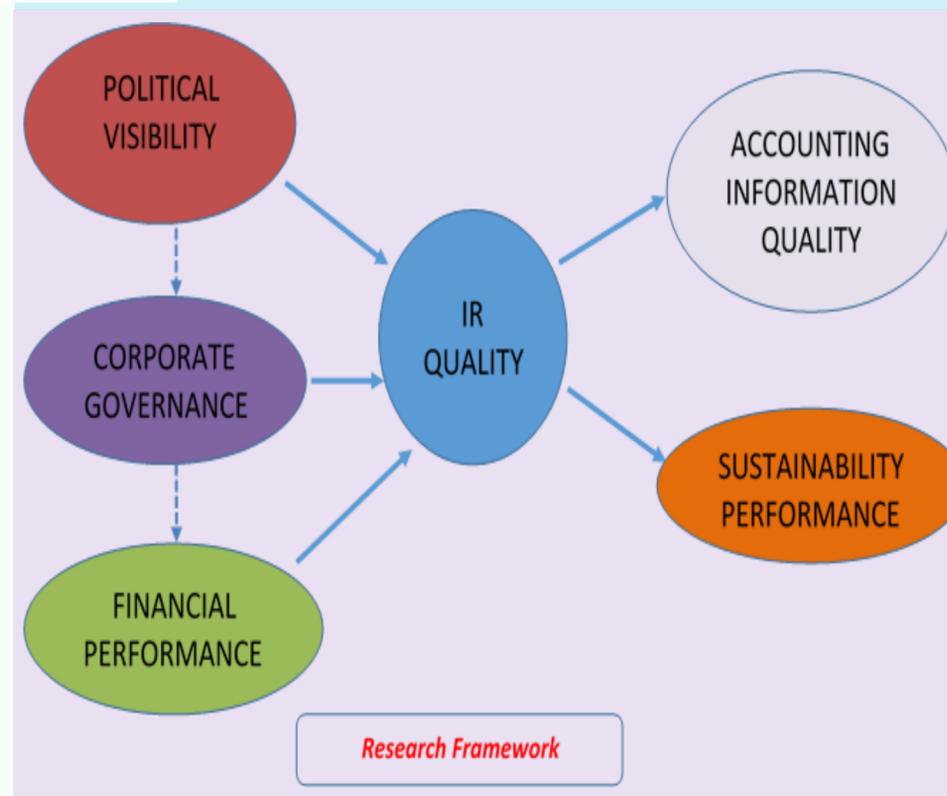
- **100 firms** on the Johannesburg Stock Exchange selected based on market capitalisation.
- Integrated Reports of the firms from 2011 to 2016 are content analysed and the quality determined by a **weighted index** based on IR checklist by **Zhou, Simnett and Green (2017)**.
- Partial-least-square structural equation modelling (**PLS-SEM**) approach is used to analyse the data.

## 5 Significance

- Findings to provide empirical support for the outcomes of IR and contribute to debate of a **business case for IR adoption**.
- Provides information to capital market regulators and governments considering the policy to **mandate IR** and the **IIRC for IR promotion**.

## 2 Why Research Integrated Reporting?

- Despite the benefits attributed to IR, there is little empirical support which has led to calls for research to **establish the business case for IR adoption** (Simnett & Huggins, 2015) and provide information for policy decisions by regulators (de Villiers, Rinaldi & Unerman, 2014).
- IR has been subjected to limited standardisation, regulation and research activity (Velte & Stawinoga, 2016) with **theoretical investigations and standalone case studies** dominating the literature (Robertson & Samy, 2015).



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