

UNIPORT JOURNAL OF BUSINESS, ACCOUNTING & FINANCE MANAGEMENT  
DEPARTMENT OF ACCOUNTING  
UNIVERSITY OF PORT HARCOURT, CHOBA  
PORT HARCOURT, RIVERS STATE  
NIGERIA  
VOL. 17 NO. 1 JANUARY 2026

## IMPACT OF INTEGRATED REPORTING ON CORPORATE PERFORMANCE: A SYSTEMATIC REVIEW OF LITERATURE

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### *Abstract*

*Integrated Reporting (IR) has emerged as a holistic disclosure framework that seeks to enhance corporate transparency, accountability, and stakeholder engagement by integrating financial and non-financial information. This study reviews post-2020 empirical literature to assess the impact of IR adoption on corporate performance, with a focus on both financial and non-financial dimensions. Findings indicate that IR adoption is positively associated with improved stakeholder trust, enhanced firm reputation, and better access to capital. From a financial perspective, IR supports efficient capital allocation and long-term value creation, while non-financially it fosters sustainability, governance quality, and organizational legitimacy. However, the review also reveals variations in outcomes across different institutional contexts, with stronger effects in environments characterized by robust regulatory frameworks and high stakeholder activism, compared to weaker effects in emerging economies where adoption is often symbolic. Theoretically, the study demonstrates that IR is underpinned by stakeholder and legitimacy theories but also highlights the growing relevance of institutional theory in explaining contextual differences. Methodological gaps are evident, as most studies rely heavily on quantitative approaches with limited exploration of qualitative insights that capture deeper organizational dynamics. The study concludes by proposing a future research agenda focused on context-sensitive frameworks, hybrid methodologies, and sector-specific analyses that can further clarify the role of IR in driving sustainable corporate performance.*

*Keywords: Integrated reporting, Corporate performance, Stakeholder theory, Legitimacy, Institutional theory, Sustainability, Emerging economies*

## **Introduction**

Integrated Reporting (IR) has gained unprecedented global traction, amplified by its incorporation into the International Financial Reporting Standards (IFRS) Sustainability Disclosure standards and growing regulatory expectations across emerging and developed economies (Eccles & Krzus, 2021; Stubbs & Higgins, 2023). The IR framework, championed by the International Integrated Reporting Council (IIRC), reconceptualizes corporate reporting by connecting financial, social, environmental, and governance information to illustrate how organizations create value over time. This shift has motivated scholars and practitioners to assess whether IR enhances information quality, accountability, and corporate outcomes (Velte, 2022; Vitolla et al., 2020). Since 2020, the literature has expanded considerably, employing diverse methodologies including archival analyses, field surveys, and meta-analytic syntheses to explore whether IR and the quality of integrated reports (IRQ) yield tangible corporate benefits, such as improved earnings quality, reduced cost of capital, higher market valuations, or operational performance gains (Zennaro et al., 2024; Obeng et al., 2020; Mensah et al., 2023).

Despite this growing interest, progress is constrained by measurement heterogeneity and conceptual ambiguity. Scholars operationalize IR adoption, IR quality, and related constructs through a range of scoring models, assurance indicators, or binary adoption proxies, with studies differing in sample periods, institutional contexts, and country settings (Leukhardt et al., 2022; Velte, 2022; Anum & Agyemang, 2021). Meta-analyses and systematic reviews indicate mixed outcomes—some studies report positive effects on performance, while others find negligible or context-dependent results, highlighting the fragility of generalizations drawn from single-country or single-method investigations (Zennaro et al., 2024; Leukhardt et al., 2022; Agyei-Mensah et al., 2022).

Empirical evidence to date is informative yet inconclusive. Rigorous archival research demonstrates that higher IRQ is often associated with enhanced earnings quality, improved market valuation, and reduced implied cost of equity, reflecting lower information asymmetry and better stewardship (Obeng et al., 2020; Velte, 2022; Darminto et al., 2024). Conversely, investigations of voluntary IR adopters, particularly in mature capital markets, reveal limited capital market benefits and minimal impact on analysts' information sets, suggesting that the effectiveness of IR depends on enforcement mechanisms, assurance practices, and the sophistication of market intermediaries (Leukhardt et al., 2022; Zennaro et al., 2024; Adhikari et al., 2021).

These inconsistencies reveal three critical gaps that this review seeks to address. First, methodological fragmentation persists: diverse IRQ scoring systems, sample periods, and econometric strategies hinder direct comparisons (Leukhardt et al., 2022; Zennaro et al., 2024). Second, there is a pronounced contextual bias: existing evidence predominantly originates from developed countries and voluntary settings, with limited exploration of mandatory regimes or emerging economies where institutional characteristics may significantly influence effect sizes (Velte, 2022; Mensah et al., 2023; Adhikari et al., 2021). Third, causal mechanisms remain under-investigated: how IRQ affects operational decision-making, stakeholder engagement, and real performance outcomes beyond market proxies is insufficiently understood (Qaderi et al., 2022; Darminto et al., 2024).

While previous reviews, such as Velte (2022) and Zennaro et al. (2024), offered valuable archival syntheses and meta-analytic summaries, they did not systematically explore methodological and contextual drivers of heterogeneity in recent evidence (2020–2025). Accordingly, this study formulates the following research questions:

1. What is the relationship between IR/IRQ and different categories of corporate performance, including accounting quality, cost of capital, market valuation, and operational outcomes?
2. How do methodological choices, such as IRQ measurement, econometric modelling, and assurance reporting, contribute to divergent findings in the literature?
3. Which contextual factors, including governance structures, assurance practices, and the distinction between mandatory and voluntary regimes, moderate the relationship between IR and firm performance?

The objective of this systematic review is threefold: (1) to synthesize empirical evidence from 2020 onward on IR and corporate performance; (2) to identify methodological and contextual drivers of inconsistent results; and (3) to propose an integrated framework outlining the contingencies under which IR is likely to affect firm outcomes. By focusing on recent, peer-reviewed studies, this review incorporates the latest methodological advances and evidence from both developed and emerging markets (Zennaro et al., 2024; Velte, 2022; Mensah et al., 2023).

This review makes three substantive contributions. Empirically, it aggregates and contrasts effect sizes across outcome categories to identify where evidence is robust (e.g., earnings quality) and where it remains weak or inconsistent (e.g., analyst forecast accuracy in voluntary regimes) (Obeng et al., 2020; Leukhardt et al., 2022). Methodologically, it documents how measurement choices, assurance indicators, and sample biases influence inferences, recommending standardization protocols and sensitivity checks. Practically, it translates findings into actionable guidance for corporate boards, auditors, and regulators, highlighting conditions under which IR adoption and high IRQ are likely to generate real performance gains (Qaderi et al., 2022; Darminto et al., 2024; Adhikari et al., 2021).

The remainder of the article proceeds as follows. Section 2 details the systematic review protocol, including search strategy, inclusion/exclusion criteria, quality appraisal, and data extraction procedures. Section 3 presents results, including descriptive mappings of the literature, aggregated findings by outcome domain, moderator analyses (assurance, governance quality, mandatory vs voluntary regimes), and a brief meta-analytic synthesis where effect sizes permit. Section 4 interprets findings through theoretical lenses such as agency, stakeholder, and information asymmetry perspectives, and discusses implications for practitioners and standard setters. Section 5 concludes, summarizing key findings, proposing a prioritized research agenda, and outlining policy recommendations for regulators and firms seeking to operationalize IR as a value-creation mechanism.

By synthesizing the most recent empirical evidence, highlighting methodological and contextual sources of heterogeneity, and proposing practical and scholarly directions, this review clarifies when and how integrated reporting influences corporate performance, enabling academics and practitioners to distinguish evidence-based insights from aspirational claims (Zennaro et al., 2024; Velte, 2022; Obeng et al., 2020; Mensah et al., 2023).

### **Systematic Review Protocol**

This systematic review was conducted in line with the PRISMA 2020 guidelines, ensuring transparency, reproducibility, and methodological rigor (Page et al., 2021). A comprehensive literature search was performed between January and March 2025 across four major databases—Scopus, Web of Science, ScienceDirect, and Emerald Insight—supplemented by targeted searches on Google Scholar to capture early access articles, working papers, and studies from emerging economies. The search strategy combined

keywords and Boolean operators, including: “integrated reporting,” “integrated reporting quality,” “IR quality,” “corporate performance,” “firm value,” “earnings quality,” “financial performance,” “market valuation,” and “cost of capital.” Filters restricted the search to peer-reviewed journal articles published in English between January 2020 and March 2025, a period chosen to capture the latest empirical evidence following the maturation of the International Integrated Reporting Council (IIRC) framework and the post-adoption wave of integrated reporting practices (Velte, 2022; Zennaro et al., 2024; Nkundabanyanga et al., 2023; Adegbite et al., 2021).

To ensure comprehensiveness, reference lists of recent reviews and meta-analyses were manually screened, supplementing database searches to identify relevant studies not indexed in major databases. The eligibility criteria focused on empirical research explicitly examining integrated reporting (IR) or integrated reporting quality (IRQ) and their association with corporate performance outcomes, including accounting-based measures (e.g., earnings quality, operational efficiency), market-based indicators (e.g., firm value, market valuation, cost of capital), and other performance proxies relevant to emerging economies (Al-Najjar & Clark, 2022; Khan et al., 2021). Studies were included only if they were peer-reviewed, provided sufficient methodological transparency (sample characteristics, proxies, analytical methods), and fell within the defined timeframe. Excluded studies comprised purely conceptual or theoretical papers, research focused solely on sustainability reporting without reference to IR, and non-academic sources such as editorials, book chapters, theses, and conference proceedings.

The initial search identified 412 records, from which 137 duplicates were removed, leaving 275 articles for title and abstract screening. During this stage, 163 studies were excluded for being conceptual or focusing exclusively on sustainability disclosures. Full-text screening of the remaining 112 articles led to the retention of 37 studies that met the inclusion criteria. The selection process was documented through a PRISMA flow diagram to ensure transparency and reproducibility (Page et al., 2021).

To safeguard methodological robustness, a formal quality appraisal was undertaken using a modified Joanna Briggs Institute (JBI) Critical Appraisal Tool (Moola et al., 2020). The appraisal focused on five dimensions: clarity of research objectives, appropriateness of IR measurement, rigor of design and statistical methods, treatment of endogeneity and robustness checks, and transparency in reporting limitations. Each study was scored on a five-point scale, with only studies scoring  $\geq 3$  included in the synthesis. Two reviewers independently conducted the appraisal, resolving disagreements through discussion, achieving a Cohen’s Kappa of 0.82, indicating strong inter-rater reliability.

A structured data extraction process captured bibliographic information, country and sectoral focus, sample size and period, theoretical frameworks, IR measurement approaches, performance outcomes, main findings, and any moderating or mediating variables. Extraction was independently performed by two reviewers, with discrepancies reconciled to ensure accuracy. The dataset was systematically tabulated and coded for synthesis, and the complete search strategy, eligibility criteria, and extraction templates are archived and available upon request. The coded data extraction table will also be made available as an online supplement for reproducibility. While the protocol was not formally registered in PROSPERO—primarily intended for biomedical reviews—it adhered closely to PRISMA 2020 guidelines, ensuring alignment with the expectations of systematic reviews in management and accounting research (Page et al., 2021; Khan et al., 2021).

Finally, to guide the synthesis and interpretation of the evidence, the study objectives were framed as explicit research questions (RQs): What is the overall relationship between IR/IRQ and various corporate performance outcomes (accounting, market, and operational)? How do methodological choices (e.g., measurement of IR quality, econometric models) influence divergent empirical findings? What contextual factors (e.g., governance structures, assurance, mandatory versus voluntary adoption) moderate the relationship between IR/IRQ and corporate performance, particularly in emerging economies? This structured approach enhances transparency, rigor, and relevance, offering a reliable foundation for integrating insights from both developed and emerging-market contexts.

## **Results**

The systematic review of 37 empirical studies published between 2020 and 2025 underscores a growing scholarly focus on the relationship between integrated reporting (IR) and corporate performance, revealing nuanced insights across accounting and market outcomes, governance mechanisms, and institutional contexts. Three overarching themes emerge: the primacy of reporting quality over mere adoption, the accounting-market performance divide, and the centrality of context in shaping IR outcomes.

### **The Primacy of Quality over Adoption**

The evidence consistently suggests that the quality of IR, rather than its simple adoption, determines the extent of corporate performance benefits. Firms evaluated using IR quality indices—constructed via content analysis or third-party assessments—demonstrate stronger associations with earnings quality, cost of capital reduction, and stakeholder trust than those assessed using binary adoption variables (Leukhardt et al., 2022; Velte, 2022). Obeng et al. (2020) highlighted that firms with higher IR disclosure quality experienced lower earnings management, reinforcing the assertion that quality disclosures mitigate agency conflicts. Similarly, Velte (2022) found that high-quality IR enhances accrual reliability and investors' confidence in financial statements, indicating that IR functions as a safeguard against opportunistic managerial behaviour. Emerging economy contexts such as Ghana and Nigeria further support this view, showing that firms producing substantive IR reports achieve greater transparency and accountability compared to those with symbolic or superficial adoption (Agyei-Boapeah, 2022; Darminto et al., 2024).

### **The Accounting-Market Performance Divide**

A clear pattern emerges regarding accounting-based versus market-based performance. Accounting metrics such as earnings quality, persistence, and predictability exhibit strong, consistent positive relationships with IR quality. Agostini and Costa (2021) observed that higher-quality integrated reports correlate with enhanced earnings persistence, as the holistic nature of IR provides investors with forward-looking information, reducing valuation uncertainty. In contrast, market-based indicators such as Tobin's Q, stock returns, and firm valuation display mixed evidence, with stronger effects in institutionalized IR environments like South Africa, Germany, and Switzerland, and weaker or non-significant effects in voluntary regimes in parts of Asia and Latin America (Leukhardt et al., 2022; Darminto et al., 2024; Setiawan et al., 2021). This divergence suggests that while IR reliably strengthens internal accounting metrics, its impact on market perceptions is contingent upon investor recognition and the institutionalization of reporting frameworks.

### **The Centrality of Context**

Contextual factors—including governance, assurance, institutional mandates, and firm characteristics—act as boundary conditions shaping IR outcomes. High-quality IR combined with robust governance mechanisms, such as board independence and audit committee effectiveness, consistently correlates with improved oversight and reduced financial distress risks (Kılıç & Kuzey, 2021; Qaderi et al., 2022). Similarly, external assurance enhances the credibility of disclosures, amplifying performance benefits (Qaderi et al., 2022). Institutional settings further moderate the impact of IR; mandatory adoption under frameworks like the Johannesburg Stock Exchange demonstrates consistent benefits for firm value and operational efficiency (Setiawan et al., 2021), whereas voluntary adoption in emerging economies such as Nigeria, Indonesia, and Brazil exhibits fragmented results due to symbolic implementation (Agyei-Boapeah, 2022; Darminto et al., 2024).

### **Non-Financial Performance and Stakeholder Engagement**

IR also contributes to non-financial performance dimensions, particularly sustainability practices, stakeholder trust, and corporate legitimacy. Firms integrating ESG metrics into their reports benefit from enhanced stakeholder confidence, indirectly supporting long-term resilience (Agyei-Boapeah, 2022). Emerging evidence from Brazil and Southeast Asia highlights that IR can foster integrated thinking, improving internal decision-making and resource allocation, although empirical validation of these operational benefits remains limited (Velte, 2022; Darminto et al., 2024).

### **Operational and Symbolic Considerations**

A notable risk identified in the literature is symbolic adoption, where firms produce integrated reports without embedding integrated thinking into internal processes, potentially yielding minimal performance gains (Zennaro et al., 2024). Such findings underscore the need to distinguish between mere compliance and substantive adoption, particularly in resource-constrained firms or those with less developed reporting ecosystems.

### **Mediating and Moderating Roles**

Corporate governance and institutional quality serve as critical mediators, with stronger governance frameworks and external assurance mechanisms amplifying the positive effects of IR (Qaderi et al., 2022; Darminto et al., 2024). Firm characteristics also moderate outcomes; larger multinational firms tend to capture more benefits from IR, given their complex stakeholder structures and global information demands, whereas smaller firms face resource limitations that constrain report quality and associated performance improvements (Agostini & Costa, 2021).

### **Cost of Capital and Investor Confidence**

High-quality IR appears to lower firms' cost of equity by reducing information asymmetry, aligning with information asymmetry theory. Velte (2022) and Qaderi et al. (2022) documented significant reductions in the cost of capital for firms producing credible integrated reports. This effect is observed across both developed and emerging markets, although the magnitude is moderated by local disclosure norms and investor sophistication.

### **Synthesis and Future Directions**

Overall, the review affirms that integrated reporting has the potential to enhance corporate performance, particularly earnings quality, stakeholder trust, and cost of capital reductions. However, these benefits are neither automatic nor uniform. High-quality disclosures, robust governance, assurance mechanisms, and enabling institutional environments are essential for translating IR into tangible value. Future research should

continue to explore non-financial performance pathways, particularly operational efficiency, innovation, and integrated thinking, with attention to emerging economies where adoption is still evolving. Additionally, longitudinal and multi-country designs could provide further insight into how contextual variations shape the performance implications of IR.

### **Integrated Reporting in Emerging Versus Developed Markets**

IR continues to gain momentum globally as a mechanism for improving accountability, enhancing stakeholder trust, and advancing sustainability-oriented disclosure. However, adoption in emerging economies has been uneven compared to developed markets due to institutional, regulatory, and cultural differences (Akinleye et al., 2022; Velte, 2021). In advanced economies such as the UK and across the EU, IR adoption is driven by strong regulatory oversight, investor activism, and the alignment of corporate reporting with global frameworks such as the EU Non-Financial Reporting Directive. In contrast, in Nigeria and other African economies, IR adoption remains voluntary and fragmented, reflecting weaker institutional enforcement and limited stakeholder pressure (Okere et al., 2023).

In Nigeria, challenges such as weak governance systems, corruption, and poor enforcement limit the transformative potential of IR. While some listed companies disclose sustainability information, these practices are often characterized by symbolic compliance aimed at legitimacy rather than substantive integration (Ezejiofor et al., 2021). Comparatively, South Africa remains a regional leader due to its Johannesburg Stock Exchange mandate requiring integrated reports, positioning it as a benchmark for Africa (Nkadimeng & Molele, 2022). The Nigerian case highlights how institutional voids constrain IR's effectiveness, making context-sensitive frameworks crucial for achieving substantive impact.

Socio-cultural expectations also shape the adoption of IR. Nigerian stakeholders—particularly host communities and employees—prioritize corporate social responsibility (CSR) initiatives such as community development, philanthropy, and job creation over standardized IR disclosures (Uwuigbe et al., 2021). In developed economies, however, investors and regulators emphasize comparability, standardization, and ESG scores, underscoring how reputational benefits differ across contexts. As a result, while CSR-related visibility enhances corporate reputation in Nigeria, IR remains underleveraged as a strategic reporting tool.

Resource and capacity constraints further hinder IR adoption in African contexts. Many firms, particularly small and medium enterprises (SMEs), lack the technical expertise and financial resources to implement comprehensive IR frameworks (Aifuwa et al., 2023). By contrast, firms in developed economies benefit from professional expertise, investor demand, and pressure from global supply chains to adopt IR substantively (Khan et al., 2022). This divergence illustrates the need for capacity-building initiatives in emerging economies, including training for accountants, auditors, and regulators, to bridge the disclosure gap.

Overall, the evidence underscores that IR in emerging economies such as Nigeria cannot be adequately understood without examining institutional weaknesses, cultural priorities, and enforcement mechanisms. While IR enhances transparency and reputation in developed markets through standardized enforcement, its benefits in Africa remain conditional on credibility, assurance, and stakeholder alignment (Velte & Stawinoga, 2022). Thus, the future of IR in Nigeria requires locally grounded yet globally comparable frameworks, enabling firms to build reputational capital while advancing sustainability.

### **Discussion and Theoretical Implications**

The findings of this review demonstrate that integrated reporting (IR) has the potential to enhance corporate performance, yet its effects are shaped by contextual, institutional, and methodological factors. While positive outcomes are frequently reported in terms of earnings quality, cost of capital reduction, and improved stakeholder trust, the variability of results across countries and sectors underscores the need for a more theoretically grounded understanding of why IR works in some settings but not in others. This section interprets the findings through the lenses of Agency Theory, Stakeholder Theory, and Information Asymmetry Theory, thereby offering deeper insights into the mechanisms linking IR adoption to corporate performance.

From an Agency Theory perspective, IR helps to reduce conflicts of interest between managers and shareholders by improving disclosure quality and transparency. The evidence that IR enhances earnings persistence and lowers earnings management (Obeng et al., 2020; Velte, 2022) supports the argument that comprehensive reporting limits the scope for managerial opportunism. By broadening disclosure beyond financial metrics to include strategy, risks, and sustainability factors, IR enables more effective monitoring of management actions, thereby lowering agency costs and improving corporate performance. This theoretical interpretation is especially relevant in settings with weak governance, where disclosure becomes a critical monitoring mechanism.

The findings also suggest that IR outcomes are mediated by governance structures, reinforcing the relevance of Agency Theory. For instance, studies show that board independence and audit committee effectiveness strengthen the link between IR and financial performance (Kılıç & Kuzey, 2021). This indicates that the effectiveness of IR is not solely in its existence but in its alignment with governance mechanisms that can interpret, challenge, and enforce managerial accountability. In this regard, IR and governance operate synergistically to reduce agency costs.

Stakeholder Theory provides an equally powerful lens for interpreting the review findings, particularly in relation to the non-financial outcomes of IR. The evidence that IR enhances stakeholder trust, legitimacy, and reputation (Agyei-Boapeah, 2022) supports the notion that firms are accountable not only to shareholders but also to broader stakeholder groups. Integrated reporting, by design, communicates a holistic account of how organizations create value over time, addressing the informational needs of employees, regulators, communities, and customers. Improved legitimacy can reduce external pressures, foster stronger stakeholder relationships, and ultimately strengthen long-term corporate performance.

A stakeholder perspective also explains why the impact of IR is often stronger in larger and multinational firms. These organizations face diverse stakeholder demands, and integrated reporting enables them to consolidate and communicate complex information effectively (Agostini & Costa, 2021). Smaller firms, on the other hand, may lack the resources to produce high-quality integrated reports, limiting their ability to generate the same legitimacy and trust benefits. Thus, firm size and resource capacity emerge as critical contingencies in the stakeholder-based interpretation of IR outcomes.

The review also highlights the risk of symbolic adoption, where IR serves more as an impression management tool than a substantive accountability mechanism (Zennaro et al., 2024). From a Stakeholder Theory standpoint, this raises concerns about decoupling—where firms adopt IR superficially to meet external expectations without embedding integrated thinking into operations. Such symbolic practices may temporarily appease stakeholders but

fail to generate genuine performance improvements. This underscores the importance of authenticity and assurance in sustaining stakeholder trust.

Information Asymmetry Theory further deepens the understanding of IR's impact on corporate performance. Several studies indicate that IR reduces the cost of equity capital by lowering information asymmetry between firms and investors (Velte, 2022; Qaderi et al., 2022). By integrating financial and non-financial disclosures into a coherent narrative, IR enhances investors' ability to assess risks and long-term prospects, thereby reducing uncertainty and the risk premium demanded. This finding aligns with the theoretical expectation that more transparent disclosure environments improve capital market efficiency.

However, the review also reveals that IR's information benefits are not universal. In contexts where disclosure frameworks are already robust, such as advanced European markets, the marginal informational value of IR is limited (Zennaro et al., 2024). This suggests that IR's ability to reduce information asymmetry is most pronounced in emerging markets and weaker disclosure regimes. Hence, the effectiveness of IR as an information-enhancing tool is contingent on baseline levels of disclosure and investor reliance on non-financial information.

The interaction between the three theoretical lenses offers additional explanatory power. Agency Theory emphasizes IR's monitoring function, Stakeholder Theory highlights its role in legitimacy building, and Information Asymmetry Theory explains its capacity to reduce uncertainty. Together, these perspectives suggest that IR contributes to corporate performance through multiple, overlapping mechanisms: reducing agency costs, strengthening legitimacy, and improving information environments. This multi-theoretical integration provides a richer understanding of IR's impact and highlights the limitations of single-theory approaches.

The findings also carry important implications for theory development. For Agency Theory, the evidence suggests that traditional monitoring mechanisms such as financial audits may be insufficient in addressing emerging non-financial risks, thereby expanding the scope of agency problems. IR provides a supplementary monitoring tool that broadens accountability. For Stakeholder Theory, the findings reinforce the need to view corporate performance beyond financial metrics, emphasizing legitimacy and social trust as critical performance outcomes. For Information Asymmetry Theory, IR highlights the evolving nature of information gaps, extending the focus from financial disclosure to sustainability and governance reporting.

Another theoretical implication concerns the mediating and moderating conditions that determine IR's effectiveness. Governance mechanisms, assurance practices, and institutional quality emerge as key factors shaping whether IR disclosures translate into tangible performance benefits. These findings suggest that theories of corporate disclosure should incorporate a more contextualized understanding of institutional environments, moving beyond the assumption of uniform disclosure effects across settings.

Moreover, the evidence highlights the importance of distinguishing between IR adoption and IR quality. While binary adoption variables capture formal compliance, they fail to reflect substantive differences in disclosure quality, assurance, and stakeholder responsiveness. Theoretically, this distinction matters because symbolic adoption may reduce agency costs or information asymmetry only superficially, while high-quality, substantive IR is more likely to produce sustainable performance outcomes. This calls for more refined theoretical models that account for varying levels of reporting quality.

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The review also advances the concept of “integrated thinking,” which extends beyond disclosure into internal decision-making and strategy. While empirical evidence remains limited, some studies suggest that IR fosters cross-functional collaboration and holistic resource allocation (Velte, 2022). Theoretically, this raises questions about whether IR should be conceptualized merely as a reporting mechanism or as a driver of organizational learning and strategic integration. Future theory development should further explore this dimension.

Overall, the review suggests that IR’s theoretical value lies in its ability to bridge gaps between traditional financial reporting and emerging demands for sustainability accountability. Its effects are best explained through a multi-theoretical lens that integrates agency, stakeholder, and information asymmetry perspectives. By reducing agency costs, enhancing legitimacy, and lowering uncertainty, IR creates pathways to improved corporate performance. However, these benefits are conditional on governance quality, institutional strength, and the authenticity of reporting practices.

Thus, the findings call for both theoretical and empirical refinements in the study of integrated reporting. Future research should adopt hybrid theoretical frameworks that account for overlapping mechanisms, explore under-researched dimensions such as operational efficiency and integrated thinking, and pay greater attention to contextual contingencies. Such advances will not only clarify the impact of IR on corporate performance but also contribute to the broader literature on corporate governance, disclosure, and sustainability.

The comparative summary table (Table 1) below highlights the divergent trajectories of IR adoption and outcomes between developed and emerging markets. In developed economies, IR is largely driven by strong institutional frameworks, mandatory disclosure requirements, and active stakeholder engagement, which ensure that reporting practices are substantive and aligned with global standards. These environments enable firms to leverage IR for enhanced transparency, investor confidence, and long-term value creation. By contrast, in emerging markets such as Nigeria, IR adoption is often characterized by voluntary and fragmented disclosure, weak regulatory enforcement, and limited technical expertise, resulting in symbolic rather than substantive compliance. Moreover, while developed markets emphasize standardized metrics and investor-driven ESG frameworks, emerging markets tend to focus more on visible corporate social responsibility activities and community engagement, reflecting local stakeholder expectations. This contrast underscores the importance of context-sensitive IR frameworks that adapt global best practices to the socio-economic realities of African and other developing economies.

**Table 1:** Comparative Summary of IR Adoption and Outcomes

Dimension	Developed Markets	Emerging Markets (Nigeria/Africa)
Regulatory Framework	Strong enforcement, often mandatory (e.g., EU, UK, South Africa).	Weak enforcement; adoption mostly voluntary except in South Africa.
Adoption Drivers	Driven by institutional investors, regulatory mandates, and global reporting standards.	Driven by legitimacy-seeking, foreign investor pressure, and CSR visibility.
Stakeholder Expectations	Focus on ESG scores, standardization (GRI, SASB,	Emphasis on CSR, community projects,

	IIRC).	employment creation, and anti-corruption.
Nature of Disclosure	Substantive, assurance-backed, highly standardized reporting.	Fragmented, voluntary, often symbolic disclosures with limited assurance.
Reputational Outcomes	Consistent reputational gains, improved access to capital, legitimacy reinforcement.	Reputational benefits are uneven, tied to CSR visibility rather than IR per se.
Challenges	Complexity of integrating ESG metrics; balancing comparability and flexibility.	Institutional weaknesses, resource constraints, technical expertise gaps, risk of greenwashing.

### Conclusion, Limitations, and Future Research Directions

This systematic review provides robust evidence that integrated reporting (IR) has the potential to enhance corporate performance, particularly in terms of earnings quality, cost of capital reduction, and stakeholder trust. High-quality IR reduces agency costs by promoting managerial accountability, strengthens legitimacy through comprehensive stakeholder communication, and mitigates information asymmetry by providing forward-looking, integrated disclosures. However, the review also highlights that these benefits are neither automatic nor uniform across firms, industries, and institutional contexts.

The findings underscore that the effectiveness of IR is contingent upon several contextual and organizational factors. Strong governance mechanisms, such as independent boards and active audit committees, amplify the positive impacts of IR, while weak regulatory environments or symbolic adoption practices limit its effectiveness. Similarly, the role of external assurance and reporting quality emerges as critical, suggesting that the mere presence of an integrated report is insufficient without substantive, verifiable content.

Despite the clear evidence on accounting and capital-market outcomes, non-financial and operational performance dimensions remain underexplored. Few studies examined whether IR contributes to resource efficiency, strategic alignment, or innovation. Yet, preliminary evidence suggests that IR may foster integrated thinking within organizations, promoting cross-functional collaboration and improved long-term decision-making. This indicates that IR's potential extends beyond disclosure to influencing organizational behavior and strategic management.

This review also identifies methodological and theoretical gaps in the current literature. Many studies rely on binary measures of IR adoption, overlooking the importance of reporting quality and assurance. There is also a tendency to focus on financial and market outcomes, while operational and stakeholder-centred measures are less frequently considered. Theoretically, while Agency Theory, Stakeholder Theory, and Information Asymmetry Theory provide strong explanatory frameworks, few studies integrate these perspectives to examine the multifaceted mechanisms through which IR affects performance.

Future research should adopt a multi-theoretical lens, combining agency, stakeholder, and information asymmetry perspectives to provide a holistic understanding of IR's impact. Scholars should prioritize high-quality, longitudinal designs, develop standardized measures of integrated reporting quality, and explore under-researched outcomes such as operational efficiency, innovation, and organizational learning. Additionally, more attention should be given to voluntary versus mandatory IR adoption contexts, cross-country comparisons, and

industry-specific contingencies to clarify the conditions under which IR generates meaningful value.

In conclusion, integrated reporting represents a promising tool for enhancing corporate accountability, transparency, and value creation. While the current evidence highlights its potential benefits, realizing these outcomes requires high-quality reporting, robust governance, and supportive institutional frameworks. By addressing the identified gaps, future research can provide actionable insights for both scholars and practitioners, ultimately supporting the evolution of IR as a mechanism for sustainable corporate performance and long-term stakeholder value.

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