

Impact of Integrated Reporting on Corporate Performance: Evidence from Listed Conglomerate Companies in Nigeria

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Abstract

The global corporate landscape has consequently witnessed the overtly refined paradigm shift from traditional financial reporting methods toward more comprehensive frameworks encompassing financial, social, and environmental parameters. This research is an empirical investigation of the relationship between integrated reporting (IR) and corporate performance among listed conglomerate firms in Nigeria, an environment of increasing investor activism, evolving regulations, and transparency demands. The analysis is based on a sample of six listed conglomerates-Chellarams PLC, Custodian Investment PLC, John Holt PLC, SCOA Nigeria PLC, Transnational Corporation PLC, and UACN PLC-with data from 2014 to 2023. The analysis concentrates on the IR parameters of environmental sustainability disclosure, social capital information, corporate governance transparency, and stakeholder engagement disclosures measured against corporate performance as determined by return on assets (ROA), using panel data regression. The findings show that integrated reporting positively affects corporate performance, particularly environmental sustainability and governance transparency. The social capital information and stakeholder engagement have positive influence effects as well, albeit in different magnitudes, indicating that holistic reporting cultivates the long-term value, accountability, and strategic decision-making. The findings thus yielded support to the Resource-Based View, Legitimacy Theory, and Signaling Theory: integrated reporting is a strategic asset signifying corporate integrity and strengthening stakeholder trust. This study, therefore, recommends that the practice of IR be institutionalized within the governance architecture of Nigerian conglomerates, while policymakers should consider establishing guidelines that mandate

full disclosure of non-financial indicators toward improving corporate competitiveness, sustainability, and stakeholder confidence within emerging markets.

Keywords: Integrated Reporting, Corporate Performance, Environmental Sustainability, Corporate Governance, Social Capital, Stakeholder Engagement, Nigeria, Conglomerates

1. Introduction

Over the past two decades, corporate reporting environment has gone through tremendous changes with global stakeholders demanding more transparency, accountability, and ethical responsibility from firms. Traditional financial reporting long considered sufficient to evaluate firm performance has come under increasing criticism for its inability to encapsulate value creation processes and the more varied social, environmental, and governance contexts within which organizations operate (Dumay, Bernardi, Guthrie, & Demartini, 2019). The emergence of Integrated Reporting (IR) supported by the International Integrated Reporting Council (IIRC, 2013) can be seen as a major response to these inadequacies. Integrated Reporting (IR) provides a synthesis of financial and non-financial information so as to give a wider picture of how an organization creates value over different time horizons, such as short, medium, and long (Eccles, Krzus, & Ribot, 2015).

Integrated reporting goes a step beyond the realms of traditional financial disclosure, engaging environmental, social, and governance dimensions, which are essential stakeholders for sustainable business performance. This is extremely significant in emerging markets such as Nigeria, in which few conglomerate firms operate in numerous

strategic sectors spanning from manufacturing, through services, real estate, to logistics. The distinct reporting challenges for the diversified group of companies stem from the complexities within which they operate, the multiplicities of stakeholder groups, and the exposure to various regulatory regimes (Okaro & Okafor, 2017). As conglomerates start blending activities across different industries, the call for being transparent and integrated in their communication becomes the ultimate test of trustworthiness in the perception of their investors and future viability.

2012 was a watershed year toward achieving harmonized corporate disclosure in Nigeria with the adoption of International Financial Reporting Standards (IFRS). However, such harmonization can only work to the extent that the enforcement of these standards is complemented by the disclosure of other performance indicators, both financial and non-financial (Pacter, 2017). The launch of the Sustainability Disclosure Guidelines by the Nigerian Exchange Group in 2018 further emphasized that firms should apply the principles of ESG in their annual reports. However, compliance with these guidelines is voluntary, thereby creating a void in regulatory authority making comparability and consistency in the reporting unachievable. Thus, integrated reporting presents an important avenue through which corporate Nigeria can align her practice with standards of sustainability and governance globally while also providing a basis for tackling the information asymmetry that often erodes stakeholder trust (Christensen, Hail, & Leuz, 2021).

The global financial crisis of 2007–2009 brought into question the very efficacy of the traditional reporting frameworks to predict systemic risks and ascertain long-term sustainability (Thakor, 2015). It became very clear that financial statements are unable to provide information about the entire economic and environmental impacts of business activities. The crisis further accelerated the global demand for more broad-based, narrative-driven corporate reports that would encompass values from tangible assets to those of goodwill and environmental commitment (Bhasin, 2017). Accordingly, integrated reporting thus emerged as more than just an accounting innovation; it is a governance instrument, one that enhances decision-

making, nurtures corporate accountability, and systematizes stakeholder engagement.

Integrated reporting deserves even much attention in Nigeria owing to the structural diversity of conglomerate firms. They ordinarily will combine manufacturing, investment, trading, and many service operations in one corporate structure. The multiplicity of operations magnifies the challenges of unified disclosure; especially where in traditional financial reports, it is incapable of capturing interdependencies sectoral interdependencies, sustainability risks, and stakeholder relationships. Therefore, integrated reporting provides a coherent framework for approaching these complexities by linking financial outcomes with social, environmental, and governance activities. This alignment serves to promote compliance and transparency while strategically embedding sustainability principles into corporate decision-making (Asein, Akintoye, & Adegbe, 2020).

Several empirical studies have found a positive relationship between the adoption of IR and firm performance, more so in developed economies (Eccles et al., 2014; Islam, 2020). However, in emerging markets like Nigeria, evidence remains scant and fragmented. Existing studies have predominantly focused on the banking, manufacturing, or oil and gas sectors (Adegboyegun et al., 2020; Akintoye et al., 2019), whereas the conglomerate sector—a prime contributor to the GDP and employment—remains underexplored. The cross-sectoral nature of conglomerates presents peculiarities of the governance and disclosure dynamics, establishing a suitable context within which to investigate the strategic implications that IR presents in corporate performance.

This project attempts to fill this empirical gap by assessing the impact of integrated reporting's dimensions of environmental sustainability, social capital disclosure, governance transparency, and stakeholder engagement on the corporate performance of Nigerian conglomerates. It examines the period, 2014–2023 correlating with Nigeria's post-IFRS convergence era and the emergent foray into sustainability reporting initiatives. Return on Assets (ROA), employed as a performance proxy, was the dependent variable upon which panel data regression

analysis was run for estimating the influence from each dimension of IR to financial outturns. The findings generate essential information for managers, policymakers, and investors in emerging economies wishing to understand how integrated reporting is adding strategic value to the creation of firms' competitiveness.

This paper contributes in three ways: first, it empirically investigates the hitherto neglected Nigerian conglomerate sector towards integrated reporting, thereby eclipsing the global discourse on integrated reporting beyond development economies; second, it encompasses multiple theoretical paradigms to illustrate the ways through which IR impacts performance; third, it brings policy-imminent recommendations on enhancing corporate governance, transparency, and sustainability reporting in Nigeria's bustling economic environment.

2. Literature Review and Theoretical Framework

2.1 Conceptual Overview of Integrated Reporting

Integrated Reporting (IR) has redefined ways corporate organizations revel in disclosure in response to an ever-pressing demand by people all around the world for increasing transparency, accountability, and sustainability. This form of integrated reporting is defined by the International Integrated Reporting Council (IIRC) as "a process founded on integrated thinking that results in a periodic integrated report about how an organization's strategy, governance, performance, and prospects lead to the creation of value over the short, medium, and long term" (IIRC, 2013). Rather, the unusual aspect of information is IR, which brings into one realm the cause-effect relationships of financial performance and environmental, social, and governance (ESG) factors, all interlinked in a broader understanding of the meaning of a company's value creation.

According to Eccles et al. (2014), integrated reporting bridges the gap which exists in information between corporations and stakeholders, indicating how deeds value financial, manufactured, intellectual, human, social, and natural are mobilized into long-term value creation. Thus, not only is the relevance and credibility of corporate communication improved, but internal

decision-making is also strengthened by embedding sustainability into strategy formulation and performance monitoring. IR, according to Dumay et al. (2019), is a technological as well as a cultural shift in corporate governance, where adherence to integrating the sustainability agenda in the operational and financial models of the organization rather than restricting it to peripheral activities is encouraged.

Based on Okaro and Okafor (2017), emerging markets such as Nigeria have some of the strongest reasons to believe in the so-called advantages associated with integrated reporting: institutional weaknesses, inconsistent disclosure practices, and little stakeholder engagement. Integrating ESG considerations into financial statements would allow IR to assist these firmer diversified Nigerian conglomerates-existing in-against-the-most-more-sectors-to-manage-and-attract environmentally sustainable investment-to improve communication among corporate activities and risk management. According to the observations made by Sciulli and Adhariani (2022), in contexts with weak regulatory oversight, integrated reporting operates as a self-regulatory mechanism and thus encourages transparency and accountability, in addition to legitimizing an integrated reporting system.

2.2 Pillars of Integrated Reporting

The Integrated Reporting framework takes into account six types of capital such as financial; manufactured; intellectual; human; social and relationship; and natural capital, and these together portray a multi-dimensional theory in which organizational worth is perceived (ACCA, 2024). This holistic representation is what permits stakeholders to assess how firms deploy and transform their resources into sustainable value. For conglomerates whose operations extend into different industrial sectors, these capitals present a singular viewpoint on how to assess the complexities of intersectoral performance. Bringing these capitals together in a single report increases the ability of the firm to communicate the health of its financials along with its contributions to social and environmental sustainability (Stubbs & Higgins, 2014). For Nigerian conglomerates, the importance of such disclosure of these capitals is crucial in proving to the populace an FDI in a socio-

economic environment in which stakeholders increasingly associate transparency with ethical legitimacy (Asein, Akintoye, & Adegbie, 2020).

2.3 Integrated Reporting and Corporate Performance

There is positive evidence that adopting IR has an enhanced effect on the performance of companies in both financial and non-financial dimensions. According to Eccles, Krzus, and Ribot (2014), integrating reporting frameworks offers firms dividends in terms of confidence, reputation, and lower costs of capital. Islam (2020) and Alduais (2023) similarly observe that IR enhances strategic alignment, internal control, and decision-making efficiency, thus strengthening profitability indicators such as return on assets and return on equity.

In Nigeria, there are indications that sustainability disclosures positively correlate with performance but usually with an inconsistent application. The works of Adegboyegun et al. (2020) and Akintoye et al. (2019) show that firms adopting ESG data reporting frameworks have increased stakeholder engagement in their operations. However, there are still challenges arising from poor enforcement and limited awareness of the benefits of non-financial reporting. As recognized by Elaigwu et al. (2024), presenting with unique governance complexities, conglomerates in Nigeria face an uneven pattern of IR adoption across industries, thus necessitating context-specific analyses.

IR gives legitimacy to corporations because it allows them to speak about their social and environmental obligations to stakeholders. In the eyes of Mähönen (2020), traditional financial reporting falls short with a description of intangible value drivers—such as corporate culture and innovation. Integrated reporting mitigates this asymmetry in information, while also improving accountability by presenting a fuller picture of performance, including ESG dimensions. Empirical findings from emerging economies support the premise that IR should increase the value of a customer through improvement in competencies relating to relations with investors, reputational capital, and long-term competitiveness (Pigatto et al., 2023; Camodeca et al., 2018).

2.4 Non-Financial Disclosures and Value Creation

The addition of non-financial disclosures is a key feature of integrated reporting (IR), and this reflects the growing belief that qualitative factors are significant to firm value and resilience. Abdelmoneim and El-Deeb (2024) suggest that environmental and social metrics, though lacking in conventional financial statements, may provide future-oriented insights into a firm's strategic sustainability. Particularly for the diversified company, the combination of energy efficiency, waste management, and carbon reduction indicators can communicate stewardship-related risk mitigation through environmental management, both of which lead to eventual profitability.

Such social capital information contains employee welfare, community development, social contributions, and corporate citizenship. This kind of information is very important in shaping stakeholder perceptions and organizational legitimacy (Salajegheh & Pirmoradi, 2013). Transparent reports on social contributions can help in strengthening trust and aligning communities with corporate objectives in a society like Nigeria, where inequality and high unemployment have become everyday realities. According to Menike (2020) and Ozgun et al. (2022), firms that disclose much of their social capital tend to gain loyal stakeholders, thus enjoying competitive advantages such as a better reputation and the retention of their employees.

In this way, transparency in governance under IR systems allows enabling accountability mechanisms to be visible and credible. Ullah et al. (2016) and Jamaludin et al. (2024) noted the following: The governance practices related to board composition, risk management, and executive remuneration would then address agency issues and create a sense of assurance among investors. Governance in transparency becomes essential in Nigeria, where institutional weakness has undermined the trust of stakeholders in corporate oversight. Stakeholder engagement disclosures are another important aspect of IR that describes the mechanisms used by companies to interact with and respond to different stakeholders. According to Singh and Rahman (2022) and Doni et al. (2021), proactive involvement creates relational equity and improvement in decision-making by integrating unique

stakeholder insight into corporate strategies. In emerging markets, engagement helps reduce reputational risks and brings business practices closer to community expectations, which in turn increase resilience and legitimacy of the firm.

2.5 Factors Influencing the Adoption of Integrated Reporting

The factors influencing the extent of IR adoption are both internal drivers and external drivers. According to Robertson and Samy (2019), within the determinants, internal conditions are classified as organizational characteristics such as firm size, profitability, leverage, board diversity, and managerial attitudes while external forces embrace industry regulations, stakeholder sophistication, and institutional pressures. For Nigerian conglomerates, firm size and ownership structure play a determinant role—large, diversified firms are more prone to adopt IR due to their visibility and exposure to international stakeholders (Latip et al., 2022). On the other hand, small and medium-sized enterprises often do not have the resources and know-how to lay down integrated IR systems. In part, adoption is prompted by external pressures. Regulatory frameworks, investor expectations, and professional organizations such as the Financial Reporting Council of Nigeria (FRCN) and the Nigerian Exchange Group (NGX) urged the application of principles of sustainability in corporate disclosures. The voluntary nature of these guidelines, however, does not permit uniformity in compliance (Christensen et al., 2021). Increase in media hype and advocacy for corporate accountability by the society has emerged as another set of drivers that has engendered adoption, as such scrutiny by the public rewards firms for transparency by giving them reputational or economic benefits while companies that operate opaquely are penalized.

2.6 Theoretical Framework

This multi-theoretical discourse, integrating Resource-Based View (RBV) applicability, Signaling Theory tenets, Legitimacy Theory scrutiny, and Stakeholder Theory argument, provided an exposition on the integrated reporting-corporate performance relationship. The said frameworks together

explain integrated reporting in the strategic, communicative, and normative contexts.

2.6.1 Resource-Based View (RBV)

The RBV theory proposed by Barney (1991) suggests that sustainable competitive advantage arises from resources that are valuable, rare, inimitable, and non-substitutable. Within this perspective, IR acts as a strategic resource that enhances the competitiveness of firms by virtue of enhanced transparency, innovation, and integrated thinking. With this respect, IR strengthens internal coordination and knowledge sharing—areas that may be tough for competitors to imitate through incorporating financial and non-financial information. Empirical studies such as, Hoque, (2017); Zeng et al., (2020) confirm that organizations using integrated reporting strengthen decision-making and stakeholder relationship processes that contribute toward superior performance outcomes.

2.6.2 Signaling Theory

Spence (1973) initiated Signaling Theory, which explains the means by which companies communicate credible information to minimize information asymmetry between management and stakeholders. Hence, IR acts as a credible signal of transparency, integrity, and strategic foresight. By giving strong IR disclosures, a firm signals to the investors its commitment to the long-term sustainability of its operations, thereby attracting capital and minimizing financing costs (Watson, 2022). In this sense, signaling has relevance in emerging markets such as Nigeria, where regulatory enforcement is inconsistent and the level of information asymmetry is high.

2.6.3 Legitimacy Theory

Suchman (1995) proposed the Legitimacy Theory, which posits that organizations try to make their actions congruent with societal norms and expectations. Integrated reporting is part of that mission, wherein it shows accountability of businesses for the social and environmental impacts of their operations. Through a clear disclosure, companies legitimize their existence and can sustain their social license to operate with reduced reputational risks. Integrated reporting is an enhancement of legitimacy that aligns with the general conduct of companies with the

expectations of the community and of regulation in Nigeria, where public trust in corporate institutions is often shallow (Okaro and Okafor, 2017).

2.6.4 Stakeholder Theory

Freeman (1984) has improved the Stakeholder Theory by arguing that a corporate enterprise achieves success to the extent that it satisfies multiple stakeholder interests while maintaining a balance among these interests. Integrated reporting operationalizes this theory through a communication platform that acknowledges the interdependence of financial outcomes and stakeholder well-being. It allows managers to engage more holistically with stakeholders and incorporate their concerns into strategy and performance evaluations (Esch et al., 2019). Stakeholder reporting, for Nigerian conglomerates that interface with many social and regulatory actors, builds the trust and cooperation that are necessary for sustainable growth.

2.7 Summary of Literature Gaps

In the midst of increasing global acknowledgment of the strategic significance of IR, studies in developing contexts remain severely fragmented. Existing Nigerian studies have largely focused on banks, oil and gas firms, or manufacturing practitioners, leaving large unexplored conglomerates. In addition to this, while prior studies have looked at the relationship between sustainability disclosure and financial outcomes, scanty amounts have looked at systematically how the specific components of IR environmental sustainability, social capital, governance transparency, and stakeholder engagement, act collectively to shape performance. The limited longitudinal evidence of a decade (that is, 2014-2023) further restricts understanding of the trend in time as an antecedent on the adoption of IR. This study tends to fill these gaps by carrying out an empirical analysis of how integrated reporting influences the financial performance of listed Nigerian conglomerates, thereby making a contribution to empirical literature and policy discussions on corporate transparency in emerging markets.

3. Methodology

3.1 Research Design

Integrated reporting and corporate performance may be considered to have a

causal connection. The historical nature of the data allows this study to conduct ex post facto research analysis. The ex post facto research works because it sets the researcher in a position to look at existing conditions without subjecting variables to manipulation, which enhances the external validity of the findings. Integrated reporting practices and performance indicators are derived from secondary data, thus enabling analysis of real-world phenomena across multiple firms and time periods. This is the best suited research design for corporate reporting inquiries in which such data are drawn from audited annual reports and published financial statements (Olafer, Adegbe, Olorundare, & Oyegoke, 2023).

Under this quantitative research methodology, hypothesis testing regarding the relationship between particular dimensions of IR and firm performance is carried out objectively and through statistical analysis. Therefore, it provides the empirical rigor required to test the extent to which integrated reporting practices influence financial outcomes among listed conglomerate firms in Nigeria.

3.2 Population and Sample Size

According to the report, the population under investigation comprises the six conglomerate companies listed on the Nigerian Exchange Group (NGX) by 2023. They are:

1. Chellarams Plc
2. Custodian Investment Plc
3. John Holt Plc
4. SCOA Nigeria Plc
5. Transnational Corporation of Nigeria Plc (Transcorp)
6. UAC of Nigeria Plc (UACN)

There is a ten-year period that covers this study (2014-2023): it marks the post-IFRS implementation phase for Nigeria, while integrated and sustainability reporting made a mark in the space of listed firms. All the six conglomerates were chosen for purposes of this study as they have been consistently listed on the NGX and have annual reports; not only that, their portfolio was diversified enough to cover a number of sectors.

This technique is appropriate because it eliminates all forms of sampling bias, enabling the analysis to capture the entire behavior of the conglomerate sector. Hence, the sample size consists of six firms over a ten-year period (2014-2023), giving an end total of 60 firm-year observations.

3.3 Sources of Data

This research used secondary data in accordance with its objectives. The data were mainly gathered from published annual reports and financial statements of the sampled firms. Other secondary sources for data were the Nigerian Exchange Group (NGX) Factbook, company websites, and regulation filings with the Financial Reporting Council of Nigeria (FRCN). The selected years (2014–2023) provide for a balanced panel dataset that captures variations of IR adoption and corporate performance both prior to and after the massive introduction of sustainability disclosure guidelines in Nigeria.

The secondary data collection process increases reliability and reproducibility since the financial and non-financial indicators used are extracted from audited sources. Furthermore, panel data permit the usage of robust estimation tools, which take care of temporal and cross-sectional variations.

3.4 Variables and Measurement

The study models corporate performance as a function of integrated reporting dimensions. Each variable is operationalized based on established empirical literature.

3.4.1 Dependent Variable

• Corporate Performance (CP):

The dependent variable is measured using **Return on Assets (ROA)**, calculated as:

$$ROA = \frac{\text{Total Assets}}{\text{Profit After Tax}}$$

ROA reflects the efficiency with which management utilizes assets to generate earnings and is widely employed as a performance indicator in accounting and finance research (Gill, 2022).

3.4.2 Independent Variables

The independent variables are four major areas in integrated reporting as follows:

Environmental Sustainability Disclosure (ESD):

An indicator of the degree to which firms report on environmental initiatives including waste management, energy consumption, carbon emissions, and conservation efforts. A content analysis index with '1' score for environmental items disclosed and '0' for

environmental items not disclosed was used to produce a composite score (Asein et al., 2020).

Social Capital Disclosure (SCD):

This is information on the welfare of employees, social development projects, welfare programs for stakeholders, and human rights initiatives. The index measures the number of social indicators disclosed against the total expected items.

Corporate Governance Disclosure (CGD):

This dimension is concerned with the transparency of governance structures e.g. board composition, independence, audit committee activities, and risk management practices. This was also measured using a binary disclosure index approach consistent with prior studies (Adegboyegun et al., 2020).

Stakeholder Engagement Disclosure (SED):

Focuses on how firms report whether there are interaction mechanisms and feedback with stakeholders such as investors, regulators, and communities. The stakeholder engagement index is computed as the ratio of disclosed stakeholder items to the total possible disclosure items.

3.4.3 Control Variables

There were two control variables that would manage the effect of specific organizational traits on performance.

- i. Firm Size (FSZ): Measured by natural logarithm of total assets. The larger firms are expected to have a higher endowment of resources and firm incentives to better criteria according to more transparent reporting.
- ii. Leverage (LEV): The ratio of entire debt to the overall assets which embody the firm's risk position.

3.5 Model Specification

Based on the objectives of the study, the following panel regression model was specified:

$$ROA_{it} = \beta_0 + \beta_1 ESD_{it} + \beta_2 SCD_{it} + \beta_3 CGD_{it} + \beta_4 SED_{it} + \beta_5 FSZ_{it} + \beta_6 LEV_{it} + \mu_{it}$$

Where:

ROA_{it} = Return on Assets of firm i at time t
ESD_{it} = Environmental Sustainability Disclosure

SCD_{it} = Social Capital Disclosure

CGD_{it} = Corporate Governance Disclosure

SED_{it} = Stakeholder Engagement Disclosure

FSZ_{it} = Firm Size

LEV_{it} = Leverage
 μ_{it} = Error term
 β_0 = Intercept
 $\beta_1-\beta_6$ = Coefficients of explanatory variables

3.6 Method of Data Analysis

This research basically applies a panel data regression analysis where the fixed effects model and random effects model were used. These methods control for both cross-sectional heterogeneity and temporal dynamics; thus, suitable for longitudinal analysis at the firm level. The analysis was conducted using E-Views 12 software.

The choice between fixed and random effects was determined using the Hausman specification test, which assesses whether unique firm effects are correlated with the explanatory variables. Descriptive statistics were performed and correlation, diagnostic tests of the model- including multicollinearity (VIF test), heteroskedasticity, and autocorrelation tests.

3.6.1 Descriptive Analysis

Descriptive statistics summarized the mean, minimum, maximum, and standard deviation of all variables. This provides insight into the central tendency and dispersion of IR disclosure scores and performance measures across firms and years.

3.6.2 Correlation Analysis

Correlation coefficients assessed the strength and direction of linear relationships between variables. A correlation threshold of $r < 0.8$ was maintained to avoid multicollinearity issues.

3.6.3 Regression Analysis

Both fixed-effects and random-effects regression models were estimated, with the final model selection based on the Hausman test results. Statistical significance was tested at 1%, 5%, and 10% levels. The regression coefficients are interpreted as the marginal effects of each dimension of IR on ROA.

3.7 Model Diagnostics

To ensure validity, the study performed several diagnostic tests:

- **Multicollinearity Test:** Using Variance Inflation Factors (VIFs), where values below 10 indicate acceptable collinearity.
- **Heteroskedasticity Test:** Conducted using the Breusch–Pagan test to confirm constant variance of residuals.
- **Autocorrelation Test:** Performed using the Durbin–Watson statistic to detect serial correlation in panel data residuals.
- **Normality Test:** Based on the Jarque–Bera statistic, ensuring that the error terms are normally distributed.

These diagnostic procedures enhance the credibility of the regression results and ensure compliance with the assumptions of the classical linear regression model.

3.8 A Priori Expectations

In keeping with both the theoretical and the empirical literature, the study anticipates positive relationships between the aspects of integrated reporting (that is, ESD, SCD, CGD, SED) and corporate performance (ROA). Specifically:

Variable	Expected Sign	Theoretical Basis
Environmental Sustainability Disclosure (ESD)	+	Resource-Based View, Signaling Theory
Social Capital Disclosure (SCD)	+	Legitimacy Theory, Stakeholder Theory
Corporate Governance Disclosure (CGD)	+	Agency and Governance Theories
Stakeholder Engagement Disclosure (SED)	+	Stakeholder Theory
Firm Size (FSZ)	+	Economies of Scale
Leverage (LEV)	±	Financial Risk Dynamics

The general assumption is that the more a company adopts the best IR practices, the

more the company is expected to earn higher stakeholder confidence, efficiency

improvement, and better governance mechanisms-all of which eventually enhance profitability.

3.9 Ethical Considerations

This research depends primarily on publicly available secondary data but adheres to ethical standards of research by accurately, transparently, and honestly conducting data extraction and analysis. Thus data are not fabricated, falsified, or misrepresented, and all intellectual sources have been duly

acknowledged according to APA 7th edition referencing style.

4. Results and Discussion

4.1 Descriptive Statistics

This table summarizes information on descriptive statistics concerning variables for the six conglomerates over a period of 2014 to 2023. This includes, but is not limited to, central tendency, dispersion, and distribution characteristics in terms of integrated reporting dimensions and corporate performance.

Table 1: Descriptive Statistics (2014–2023)

Variable	Mean	Std. Dev.	Minimum	Maximum	Observations
ROA	0.086	0.041	0.010	0.220	60
ESD	0.715	0.125	0.420	0.890	60
SCD	0.662	0.118	0.410	0.860	60
CGD	0.734	0.103	0.510	0.910	60
SED	0.691	0.109	0.470	0.880	60
FSZ	17.152	0.756	15.400	18.620	60
LEV	0.412	0.128	0.180	0.690	60

Source: Author’s computation (EViews 12 output, 2024)

The average return on assets (ROA) among the respective firms sampled stands at 8.6% and indicates a moderate level of profitability in the conglomerate sector. Environmental Sustainability Disclosure (ESD) has the highest mean value of (0.715), thereby establishing a stronger existence in terms of environmental commitment. Corporate Governance Disclosure (CGD) also has a high mean at (0.734), which means that this is meeting governance and disclosure codes promoted by the Nigerian Exchange (NGX). Social Capital Disclosure (SCD), however, has a lower mean score indicating that social performance reporting is less priority,

consistent with earlier studies that found Nigerian firms emphasizing financial as well as governance disclosures over the social dimension (Okaro & Okafor, 2017). The disclosure variable spread indicates some variation in IR practices among companies, and this only goes on to highlight the heterogeneous nature of conglomerate reporting.

4.2 Correlation Analysis

Table 2 displays the Pearson correlation coefficients to assess multicollinearity and the linear relationships among variables.

Table2:CorrelationMatrix

Variable	ROA	ESD	SCD	CGD	SED	FSZ	LEV
ROA	1.000						
ESD	0.528	1.000					
SCD	0.341	0.476	1.000				
CGD	0.482	0.394	0.433	1.000			
SED	0.415	0.516	0.406	0.465	1.000		
FSZ	0.271	0.324	0.305	0.255	0.314	1.000	
LEV	-0.238	-0.311	-0.227	-0.263	-0.214	-0.145	1.000

Source: Author’s computation (EViews 12 output, 2024)

Their correlation coefficients tell that the independent variables ESD, SCD, CGD, and SED moderately positively relate to ROA, which means that integrated reporting practices trend toward improved performance for the firm. All correlations report less than 0.8, with little likelihood of multicollinearity occurring. The negative correlation of leverage (LEV) with ROA indicates that increased debt will usually result in lower profit prospects, in keeping with the financial theory.

4.3 Regression Results

The Hausman test was conducted to determine the appropriate panel estimation technique. The test statistic ($\chi^2 = 13.51$; $p < 0.05$) indicated that the Fixed Effects Model (FEM) was more suitable than the Random Effects Model (REM), implying that firm-specific factors significantly influence performance outcomes.

Table 3: Fixed Effects Regression Results

Variable	Coefficient (β)	Std. Error	t-Statistic	Prob. Value
Constant	0.041	0.018	2.278	0.026
ESD	0.213	0.067	3.179	0.002 **
SCD	0.128	0.061	2.098	0.041 *
CGD	0.197	0.071	2.775	0.007 **
SED	0.165	0.060	2.747	0.008 **
FSZ	0.054	0.028	1.929	0.059 *
LEV	-0.107	0.045	-2.366	0.021 *
R-squared	0.731			
Adjusted R-squared	0.692			
F-statistic	18.76 ($p < 0.01$)			
Durbin-Watson stat	2.05			

Note: * $p < 0.10$, ** $p < 0.05$

Source: Author's computation (EViews 12 output, 2024)

4.4 Interpretation of Findings

From the regression results, it is evident that integrated reporting parameters have a significant positive effect upon corporate performance, measured by ROA, among listed conglomerates in Nigeria. An adjusted R^2 of 0.692 indicates that approximately 69.2% of the variation in firm performance is accounted for by the combined influence of environmental, social, governance, and stakeholder engagement disclosures with the control variables.

4.4.1 Environmental

Sustainability Disclosure (ESD)

The coefficient for ESD ($\beta = 0.213$, $p < 0.05$) indicates the existence of a significant positive association between environmental reporting and corporate performance. This means that firms which invest in environmental

sustainability efforts such as waste reduction, energy efficiency, and eco-friendly initiatives are able to achieve better profit margin. The finding is in line with Resource-Based View (Barney, 1991), which assumes that environmentally responsible practices create inimitable reputational assets, thereby strengthening their competitive edge. This finding is also corroborating existing empirical findings by Eccles et al. (2014) and Pigatto et al. (2023) that sustainability-oriented reporting reduces risk and attracts long-term investors.

4.4.2 Social Capital Disclosure (SCD)

Social capital disclosure has been shown to influence ROA positively ($\beta = 0.128$, $p < 0.05$), indicating in part the economic value placed on stakeholder trust and community participation. Companies that commit to disclosing employee welfare, CSR initiatives, and investments in communities are perceived to have greater stakeholder relationships and operational performance. This adds credence

to Legitimacy Theory since there is a lot of transparency in social investment, which enhances the firm's social license to operate. According to Menike (2020), disclosure of social performance data leads to good employee retention and customer loyalty for the companies.

4.4.3 Corporate Governance Disclosure (CGD)

The significant positive influence of corporate governance disclosure on performance ($\beta = 0.197$, $p < 0.05$) highlights the importance of transparency, independence, and accountability in a board of directors' functioning. Transparent governance reduces agency costs and builds trust among investors. This finding supports Agency Theory and is aligned with the findings that governance reporting relates to profitability through improvement in oversight and ethical management (Ullah et al., 2016; Jamaludin et al., 2024).

4.4.4 Stakeholder Engagement Disclosure (SED)

Stakeholder engagement ($\beta = 0.165$, $p < 0.05$) positively influences firm performance, confirming that open dialogue and feedback mechanisms with investors, customers, and regulators enhance strategic alignment. This relationship manifests the Stakeholder Theory (Freeman, 1984) that balanced attention to stakeholder interests drives long-term value creation. This does also go along the lines of Singh and Rahman (2022), who argue that integrating stakeholders into corporate strategy improves market reputation and investment resilience.

4.4.5 Control Variables

Firm size (FSZ) shows a positive relationship ($\beta = 0.054$, $p = 0.059$), suggesting that larger firms enjoy economies of scale and have the capacity for more extensive reporting. Company leverage (LEV), on the other hand, has a significant negative coefficient ($\beta = -0.107$, $p < 0.05$), which indicates that an increase in the debt ratio constrains profitability as a result of higher financing costs and risks, which is in line with the theory of financial leverage.

4.5 Diagnostic and Robustness Tests

The diagnostic results indicate a sound statistical model. Autocorrelation is not present under the Durbin–Watson statistic (2.05). The Breusch–Pagan test confirmed homoscedasticity ($p = 0.248 > 0.05$), while all Variance Inflation Factors (VIFs) were below 5, thus confirming the absence of multicollinearity. Normal distribution of the residuals was confirmed by the Jarque–Bera test ($p = 0.132 > 0.05$). These diagnostics thus attest the strength and reliability of regression estimates.

4.6 Discussion of Findings

Empirical evidence has been taken to reaffirm the theoretical argument which suggests that integrated reporting leads to better corporate performance through transparency, building trust among different stakeholders, and greater sustainable decision-making. It highlights, in particular, the relevance of ESD, CGD, and SED to profitability, making the case for the strategic role of non-financial reporting in creating investor perceptions and thus organizational legitimacy.

As per Signaling Theory (Spence, 1973), firms that make full disclosures through IR send out credible signals about their commitment to quality and values, attracting more investments and improving their market valuation. Legitimacy Theory explains that transparent reporting satisfies societal expectations and lessens the reputational risk in contexts-Corporate governance and ethical lapses erode trust in places such as Nigeria. The results support the contentions of Alduais (2023) and Islam (2020) that claim that IR improves profitability through better governance and risk management aligning.

Moreover, it agrees that showing disclosure on social capital strengthens the theory that intangible assets like trust, human capital, and goodwill of stakeholders are vital to corporate value. This concurs with the Resource-Based View, which equates those as particular strategic resources.

In terms of policy implications, the research recommends enhanced IR adoption frameworks within Nigerian regulators to stop making sustainability disclosure guidelines voluntary to mandatory. This facilitates comparability, enhances transparency, encourages firms to embed integrated thinking into corporate strategy, and indeed does prove so. The evidence also points out that board

training, stakeholder engagement programs, and digital reporting innovations may further entrench Nigeria within the global best practices.

5. Conclusion and Policy Implications

5.1 Summary of Findings

The time frame studied was between 2014 and 2023, and it was to show the impact of integrated reporting (IR) on corporate performance in listed conglomerate companies within Nigeria. Panel regression analysis was used to find out the effect of the four key dimensions of IR environmental sustainability disclosure (ESD), social capital disclosure (SCD), corporate governance disclosure (CGD), and stakeholder engagement disclosure (SED) upon firm performance as measured by return on assets (ROA). The results showed that integrated reporting has a statistically significant and positive effect on corporate performance. Specifically, it was found to have the strongest effect on environmental sustainability, governance transparency, and stakeholder engagement, with social capital disclosure positive but not as strongly influential.

This means that the companies with more integrated reporting would apparently have higher financial performance, justifying the claim that sustainability-oriented reporting enhances firm reputation as well as operational efficiency. Also, the study found that firm size contributes positively to performance, in that large conglomerates possess greater resource and institutional capacity to institute more holistic models of IR framework. On the other hand, leverage exhibited a negative relationship with ROA, thus showing that higher amounts of debts incurred lead to lower levels of profitability.

Overall, it is confirmed through the results that integrated reporting enhances legitimacy, confidence of stakeholders in the corporate fraternity, and the creation of sustainable value-benefits that ought to be very relevant at this time in Nigeria, given the changing fortunes of corporate governance.

5.2 Theoretical Implications

This study adds to the theoretical understanding of corporate reporting and performance from a multi-theoretical perspective, involving Resource-Based View

(RBV), Signaling Theory, Legitimacy Theory, and Stakeholder Theory.

Looking through the lens of the RBV, integrated reporting is viewed as an important strategic capability of an organization to leverage its intangible assets such as reputation, knowledge capital, and trust of stakeholders to obtain competitive advantage. So the positive relationship established between the variables of disclosure and profitability further supports the notion that integrated reporting helps firms to integrate their internal and external resources for competitive gains.

It thus underscores Signaling Theory, that IR is a credible communication vehicle to counter information asymmetry. Transparent and open reporting sends strong signals of proper governance, ethical integrity, and sustainable prospects, attracting investors and augmenting market valuation.

The study has also established support for Legitimacy Theory, where firms engaged in integrated reporting demystify their activities to conform to societal expectations and normative pressures and gain the social license to operate. Pertinently, such a theoretical stance comes to mind in the Nigerian experience, where violations of corporate governance tenets and weakened lines of accountability invariably conjure public mistrust.

Lastly, the positive effect of stakeholder engagement disclosure supports Stakeholder Theory by claiming that inclusive and participatory governance practices enhance both corporate reputation and profitability through alignment of business objectives with stakeholder interests.

5.3 Practical, Managerial, and Policy Implications

Such findings from this study will generate actionable insights into corporate managers, regulators, investors, and professional bodies.

Corporate Managers:

It is high time that integrated reporting (IR) is incorporated into the corporate governance structure as a strategic management instrument rather than just a formality for compliance. Scope of improving the internal competence for sustainability measurement, integration of ESG data, and digital reporting will be widened, hence the impact on decision-

making, accountability, and value creation in the firm.

Regulators and Policymakers:

Mandatory rather than voluntary disclosure standards should be adopted by both the Nigerian Exchange Group (NGX) and the Financial Reporting Council of Nigeria (FRCN). The establishment of precise enforcement mechanisms will ensure improved comparability and confidence among investors as well as localization to the international frameworks such as that of the IFRS Foundation's sustainability standards.

Investors:

IR allows investors to analyze both financial and non-financial performance. Investors will thus make long-term, responsible investment decisions by demanding comprehensive ESG disclosures due to its due diligence requirement.

Professional Bodies and Academia:

Accounting institutions need to broaden their training and certification on integrated reporting and sustainability accounting so that these themes can also find their place in university syllabi to fortify professional and academic capacity.

Policy Recommendations:

1. Develop a national IR adoption roadmap through FRCN and NGX collaboration.
2. Mandate IR-compliant ESG disclosures for listed firms to ensure transparency and comparability.
3. Provide incentives—such as tax or listing benefits—for exemplary reporting practices.
4. Establish a central sustainability database to enhance access and oversight.
5. Enforce independent audits of non-financial information to deter symbolic compliance and build investor trust.

5.4 Concluding Remarks

This research work offers compelling empirical evidence that integrated reporting enhances corporate performance in the Nigerian conglomerate sector. The findings validate that organizations that disclose environmental, social, governance, and stakeholder engagement information tend to achieve superior financial outcomes, stronger legitimacy, and better stakeholder confidence. Thus, integrated reporting transforms the integrated disclosure of the previous credits of

the financial into value creation narratives concerning multiple capitals.

Situating the IR within a multi-theoretical framework provides additional understanding of how transparency and integrated thinking drive corporate competitiveness in emerging economies. Nigeria's race to catch up with global sustainability standards makes integrated reporting a governance innovation and a strategic tool for the development of robust, accountable, and value-driven corporations.

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