

THE DEGREE OF INTEGRATED REPORTING IMPLEMENTATION IN NIGERIAN LISTED FIRMS: DOES A FIRM'S SECTOR MATTER

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<https://doi.org/10.57233/gujaf.v7i1.08>

Abstract

Transitioning from traditional financial reporting to Integrated Reporting (IR) is vital for transparency, yet adoption levels remain inconsistent in emerging economies. This study investigated the extent of Integrated Reporting (IR) adoption across industrial sectors in Nigeria and evaluated the influence of industry classification on reporting quality. Using a purposive sample of 126 listed firms on the Nigerian Exchange Group from 2010 to 2022, the study employed content analysis of annual reports and secondary financial data. Differences across sectors were tested using Analysis of Variance (ANOVA). Findings indicate an average disclosure index of approximately 50%, suggesting that Nigerian corporate entities are only halfway toward full implementation of the framework. While traditional elements like Governance and Business Performance are well-reported, there is a critical deficiency in reporting forward-looking elements such as Business Model, Risks and Opportunities, and Outlook. Furthermore, ANOVA results reveal significant differences in IR disclosure levels across industries ($p < 0.001$). Current IR practices remain partially embedded in conventional structures and are insufficient to reduce information asymmetry, given the limited disclosure of strategic, future-oriented data. Regulatory bodies, including the Financial Reporting Council of Nigeria, should mandate standardized sectoral guidelines to enhance reporting quality.

Keywords: Integrated Thinking, information asymmetry, sectoral analysis, Nigerian exchange group

1.0 Introduction

Effective decision-making in modern capital markets depends on the availability of reliable and holistic information (Adegboyegun et al., 2020). While traditional financial reporting remains a cornerstone for assessing corporate performance, it often fails to capture the broader social and environmental factors that drive long-term value creation (Lee & Yeo, 2016; Owolabi et al., 2023). In response to these limitations, the International <IR> Framework was developed to integrate financial and non-financial information into a unified, value-oriented reporting system (Mohaisen et al., 2021). In this study, Integrated Reporting (IR) refers to the overarching reporting framework, while IR practices denote the extent to which firms implement its principles in corporate disclosures.

In the Nigerian context, the adoption of IR remains largely voluntary, resulting in varying levels of disclosure quality across firms. Despite the growing global emphasis on integrated thinking, empirical evidence on IR practices in Nigeria remains limited. Existing studies have been predominantly sector-specific, focusing on individual industries such as (Adegbie et al., 2019; Akpan et al., 2022; Olusanjo et al., 2019), banking (Adegboyegun et al., 2020; Iyoha et al., 2017;

Owolabi et al., 2023), insurance (Appah & Onowu, 2021), and finance companies (Oyong et al., 2022).

However, by concentrating on isolated sectors, prior research has not provided a comprehensive, multi-sectoral assessment of how industry characteristics influence IR practices. This limitation limits the generalizability of the findings and constrains regulators, such as the Financial Reporting Council of Nigeria, from developing policies that address sectoral variations in reporting practices. To address this gap, this study conducts a longitudinal analysis of 126 listed firms across multiple industries on the Nigerian Exchange Group from 2010 to 2022.

Accordingly, the study empirically examines IR practices across industries and is guided by the following research questions: What is the extent of Integrated Reporting practices among listed companies on the Nigerian Exchange Group between 2010 and 2022? To what extent does industry classification influence the level of Integrated Reporting practices in Nigeria?

2.0 Literature Review

The International Integrated Reporting Council (IIRC) developed the Integrated Reporting (IR) Framework to enhance the quality and coherence of corporate reporting by integrating financial and non-financial information into a unified structure (Baboukardos & Rimmel, 2016; Albetairi et al., 2018; Qian et al., 2021). The framework, first issued in 2013 and subsequently revised in 2021, provides guiding principles and content elements that support organizations in communicating how value is created, preserved, or eroded over time (IIRC, 2021). Rather than treating financial and sustainability disclosures as separate, the IR Framework emphasizes the interdependencies between various forms of capital and organizational activities (Lee & Yeo, 2016; Sofian & Dumitru, 2017; Velte, 2025).

A key contribution of the IR Framework lies in its multi-capital approach, which recognizes that corporate value creation extends beyond financial resources to include manufactured, intellectual, human, social, and natural capitals (IIRC, 2021). These capitals are operationalized through guiding principles, such as information connectivity, materiality, and strategic focus, which enhance the coherence and decision-usefulness of disclosures (IIRC, 2021). The content elements further translate these principles into structured reporting components that link organizational strategy, governance, performance, and future outlook (Zaro et al., 2024; Erin, 2025). Consequently, the framework promotes a more holistic and forward-looking perspective on corporate performance than traditional reporting models (Lipunga, 2015; Ahmed & Anifowose, 2017; Akpan et al., 2022).

This integrated approach is particularly relevant in emerging economies such as Nigeria, where corporate reporting practices remain largely fragmented and voluntary. The absence of standardized integration between financial and non-financial disclosures often results in inconsistent reporting quality and limits stakeholders' ability to assess long-term value creation (Adegboyegun et al., 2020). By providing a structured, principle-based reporting model, the IR Framework provides a robust analytical benchmark for evaluating the extent to which firms disclose integrated, value-relevant information. Accordingly, this study adopts the IR Framework as the basis for measuring IR practices, with specific emphasis on the extent to which firms align their disclosures with its guiding principles and content elements across different industries.

Table 1 summarizes the key components of the International Integrated Reporting Framework, including its basic concepts, guiding principles, and content elements, which collectively underpin the measurement of IR practices in this study.

**Table 1:
Summary of the International Integrated Reporting Framework**

Basic Concepts	Guiding Principles	Content Elements
1. Capitals	1. Strategic focus and future orientation	1. Organisational overview and external environment
1.1 Financial	2. Connectivity of information	2. Governance
1.2 Manufactured	3. Stakeholder relationships	3. Business model
1.3 Intellectual	4. Materiality	4. Risks and opportunities
1.4 Human	5. Conciseness	5. Strategy and resource allocation
1,5 Social and relationship	6. Reliability and completeness	6. Performance
1.6 Natural	7. Consistency and comparability	7. Outlook
2. Value Creation		8. Basis of presentation

Source: Chanatup et al. (2019)

As shown in Table 1, the interaction between the three components of the framework is essential. The basic concepts define the foundation for value creation across multiple capitals, the guiding principles ensure the quality and coherence of disclosures, and the content elements provide the structural basis for reporting. In this study, these components serve as the basis for constructing the IR disclosure index, which quantitatively assesses the level of integrated reporting practices across firms.

Integrated Reporting

Integrated Reporting is traditionally defined as a process that strategically links various forms of capital to explain value creation over time (Chanatup et al., 2019; Adegboyegun et al., 2020). While the IIRC (2021) emphasizes IR as a “succinct presentation” of strategy and performance, scholars such as Lipunga (2015) and Mohaisen et al. (2021) argue that its core contribution lies in its ability to consolidate disparate reporting silos, financial, governance, and sustainability into a single, coherent narrative. Drawing from these perspectives, this study defines Integrated Reporting (IR) as a holistic, principle-based communication process grounded in integrated thinking that demonstrates how an entity’s business model transforms multiple capitals into sustainable value over time.

Despite the touted benefits of IR in fostering efficient capital allocation (IIRC, 2021; Akpan et al., 2022), the concept is not without critique. A significant concern in the literature is that IR may be used as a sophisticated tool for managerial capture or greenwashing (Donkor et al., 2024). Critics argue that because the <IR> Framework is principle-based rather than rule-based, it provides managers with considerable discretion (Ahmed & Anifowose, 2017). This flexibility allows firms to selectively disclose favorable social or environmental information while

obscuring negative performance, potentially misleading investors under the guise of holistic reporting (Abu Afifa et al., 2024).

Furthermore, while IR is intended to serve a broad range of stakeholders, the framework's primary focus remains on shareholders and providers of financial capital (Chanatup et al., 2019). This investor-centric orientation has led some scholars to question whether IR represents a genuine shift toward stakeholder accountability or merely a more efficient mechanism for communicating financial prospects. In a voluntary environment such as Nigeria, this tension is particularly relevant, as the absence of mandatory enforcement and assurance mechanisms may exacerbate the risk of superficial adoption - where the form of reporting appears integrated, but the substance remains fragmented (Adegboyegun et al., 2020; Akanni et al., 2025). These concerns underscore the importance of empirically examining the extent and quality of IR practices, particularly across industries where disclosure incentives may vary.

Integrated Reporting Practice in Nigeria

South Africa pioneered the adoption of integrated reporting in 2009 through the King III Code of Governance, which introduced the "apply or explain" principle for listed firms (Umoren et al., 2015; Ahmed & Anifowose, 2017; Adegboyegun et al., 2020). Although Nigeria has yet to establish a comprehensive integrated reporting framework, efforts are underway to adopt the International Integrated Reporting Council (IIRC) model, as the country did with International Financial Reporting Standards (IFRS) in 2012 (Oba & Ibikunle, 2015). The regulatory environment for financial reporting in Nigeria is governed by the Companies and Allied Matters Act (CAMA, 2020), the Financial Reporting Council of Nigeria Act (2011), and the Nigerian Code of Corporate Governance (NCCG, 2018), which collectively aim to enhance transparency, strengthen investor confidence, and attract cross-border investments (Adelowotan & Udofia, 2021).

Despite these institutional developments, integrated reporting practices in Nigeria remain limited. While some firms, such as Zenith Bank Plc and Lafarge Africa Plc, voluntarily include non-financial disclosures, these are often poorly linked to financial performance measures (Akintoye & Assien, 2018). Studies show that although several IIRC content elements appear in Nigerian annual reports, they are inadequately developed and poorly integrated (Adelowotan & Udofia, 2021). Consequently, the country's reporting culture continues to emphasize traditional financial statements (CAMA, 2004), which fail to meet stakeholders' increasing demand for information on governance, risk, sustainability, and social responsibility.

In sensitive regions like the Niger Delta, environmental and social disclosures are exceptionally vital for maintaining legitimacy and stakeholder trust (Owolabi, 2009). Although the Financial Reporting Council of Nigeria mandates corporate governance reporting, existing regulations mainly focus on internal control, leaving gaps in environmental and social accountability (FRCN Act, 2011). Non-financial reporting is therefore essential for articulating corporate strategy, risk management, and long-term sustainability (IIRC, 2013).

With declining oil revenues and the urgent need to attract foreign and portfolio investments, Nigeria's corporate sector must provide more comprehensive and integrated reports that demonstrate how firms create value across multiple capitals. In recognition of this, the Institute

of Chartered Accountants of Nigeria (ICAN), in collaboration with other relevant organizations and professional bodies, established the Nigeria Integrated Reporting Committee (NIRC) in 2019 to promote, coordinate, and support the adoption of integrated reporting across Nigeria and the broader West African region (Nigerian Integrated Reporting Committee).

Theoretical Framework

This study is anchored in Stakeholder Theory, which posits that corporate survival depends on satisfying the diverse information needs of a broad stakeholder base, rather than shareholder primacy (Freeman, 1984; Akpan et al., 2022; Erin, 2025). Within this framework, Integrated Reporting (IR) acts as a strategic reporting mechanism through which firms discharge accountability and build legitimacy with salient stakeholders - such as regulators, investors, and communities - by linking financial performance to broader value creation (IIRC, 2021; Appah & Onowu, 2021).

The theory is particularly appropriate for the multi-sectoral analysis adopted in this study because stakeholder salience is industry-dependent. Firms operating in high-impact or highly regulated sectors - such as manufacturing and extractive industries - face intensified scrutiny regarding their use of natural and social capitals compared to less visible sectors (Brammer & Pavelin, 2008; García-Sánchez et al., 2013). This heightened visibility often results in superior disclosure quality as a strategic response to stakeholder demands (Vitolla et al., 2019). Consequently, Stakeholder Theory provides the logical basis for the study's ANOVA-based examination, as it suggests that industrial characteristics shape the intensity of stakeholder pressure, which in turn drives variations in IR disclosure quality (García-Sánchez et al., 2013; Vitolla et al., 2019). Prior research confirms that sector-specific visibility and regulatory demands create diverse disclosure patterns among listed firms (Jensen & Berg, 2012).

This perspective stands in contrast to the shareholder-oriented view (Friedman, 1962), which argues that non-financial disclosures are unnecessary unless they directly enhance short-term profitability, provided they comply with the law (Oyong et al., 2022). In Nigeria's voluntary reporting environment, this tension helps explain the risk of symbolic adoption, in which firms may limit disclosure to satisfy financial providers while neglecting broader strategic considerations (Akanni et al., 2025). Thus, by linking stakeholder expectations to disclosure behavior, this theory provides a robust foundation for analyzing variations in IR disclosure practices across sectors and identifying gaps in integrated thinking.

Empirical Review

The degree of implementation of the integrated reporting framework

Suttipun (2017) examines the extent of integrated reporting implementation among corporate entities in Thailand. One hundred fifty companies were randomly selected, and Content analysis was used to assess the degree of IR adoption between 2012 and 2015. It was discovered that companies in Thailand favour disclosure of Intellectual capital, while environmental capital was the least reported form of capital. Moreover, it was found that companies in the technology sector have the highest IR scores among sectors in Thailand.

Albetairi et al. (2018) explored the level of compliance with an integrated reporting framework among the listed companies in Bahrain. The research findings concluded that companies in

Bahrain have disclosed their external environment, organizational overview, governance, and outlook to a reasonable extent. They suggested improvements in the content elements, such as risk and opportunities, as well as the business model. Qian et al. (2021) examined the level of implementation of the integrated reporting framework by Asian listed companies in 2019, specifically focusing on 90 companies purposively sampled. They observed a high level of compliance; however, they suggest improvement in the disclosure of the concept of business reports.

Chanatup et al. (2019) examined the extent to which Thai companies adopted the Integrated Reporting (IR) Framework and assessed the influence of industry type on its adoption. Their findings revealed an average IR adoption score of 46%, indicating moderate disclosure of IR content elements. The financial and resource sectors recorded the highest levels of adoption, while the technology sector had the lowest.

Based on the theoretical and empirical review, we developed and tested the following hypotheses to achieve the study's objectives:

H₁: Listed companies in Nigeria have significantly adopted integrated reporting practices.

H₂: The degree of integrated reporting practice varies significantly across industries.

3.0 Methodology

The study adopted an ex post facto research design. This design is appropriate because the events under investigation (the publication of annual reports and corporate disclosures) have already occurred, and the researcher has no direct control over or manipulation of the variables. The ex post facto approach allows for the objective discovery, description, and explanation of existing reporting phenomena, and for the drawing of conclusions from verified historical data sources (Oyong et al., 2022). The population consisted of all 156 companies listed on the Nigerian Exchange Group as of May 31, 2023. Using a purposive sampling technique, 126 firms were selected based on the availability of annual report data for the period from 2010 to 2022. While the geographical focus is Nigeria, the 2010 start date was selected to align with the global emergence of "integrated thinking," following South Africa's landmark 2009 King III Code, which pioneered the "apply or explain" principle for integrated reporting.

Data were obtained from the published annual reports of the sampled firms. The study utilized content analysis, a standard method in disclosure research (Lee & Yeo, 2016; Appiagyei et al., 2017; Chanatup et al., 2019; Isnurhadi et al., 2020; Adegboyegun et al., 2020; Oyong et al., 2022). To address the limitation that simple content analysis does not indicate the significance a firm attaches to specific areas (Chanatup et al., 2019), the study employed the Integrated Reporting Index (IRI) developed by Adegboyegun et al. (2020), which is mapped directly to the IIRC Framework elements (see Appendix 1). A binary scoring system (0/1) was applied to the content elements. While simplistic, this "unweighted" approach was chosen to ensure objectivity and avoid the subjectivity inherent in assigning weights to different disclosure items. Each item is scored '1' if disclosed and '0' otherwise, with the focus on the breadth of framework adoption across the eight content elements of the IIRC. To ensure the validity of the sectoral analysis, Welch and Brown-Forsythe robust tests were performed (see Appendix 3).

4.0 Results and Discussion

Comparative Statistics of the IR across Industries

Table 1:
The Mean Values in Different Industries

Industry/IR Contents	AGRICULTURE	CONGLOMERATES	CONSTRUCTION /REAL ESTATE	CONSUMER GOODS	FINANCIAL SERVICES	HEALTHCARE	ICT	INDUSTRIAL GOODS	NATURAL RESOURCES	OIL AND GAS	SERVICES	Total	% OF FULL SCORES
	Mean	Mean	Mean	Mean	Mean	Mean	Mean	Mean	Mean	Mean	Mean	Mean	
Overview and External Environment OEE	1.13	1.55	1.33	1.47	1.76	1.09	1.58	1.41	1.77	1.44	1.54	1.55	77%
Governance GOV	1.62	1.99	0.67	1.77	2.08	1.56	1.79	1.64	1.62	1.89	1.52	1.77	59%
Business model BM	0.00	0.00	0.00	0.10	0.22	0.00	0.00	0.13	0.00	0.00	0.00	0.09	5%
Risks and opportunities R&O	0.00	0.46	0.31	0.19	0.73	0.14	0.86	0.18	0.19	0.56	0.32	0.45	23%
Strategy and resource allocation S&RA	0.42	0.73	0.33	0.65	0.83	0.47	0.93	0.54	0.25	0.53	0.51	0.65	65%
Performance PER	1.44	1.59	1.46	2.28	1.92	1.46	1.31	1.70	1.38	1.21	1.35	1.69	56%
Outlook OUT	0.50	0.27	0.00	0.12	0.15	0.00	0.14	0.13	0.00	0.13	0.11	0.13	13%
Basis of presentation BP	1.00	0.99	1.00	1.00	1.00	0.98	0.86	1.00	1.00	1.00	1.00	0.99	99%
TOTAL AVERAGE SCORES	6.12	7.58	5.10	7.57	8.69	5.70	7.47	6.73	6.21	6.21	6.34	7.32	
% OF FULL SCORES	41%	51%	34%	50%	58%	38%	50%	45%	41%	41%	42%	49%	49%

Source: Authors' Computation, 2025.

Note: OEE=Overview & External Environment; GOV=Governance; BM=Business Model; R&O=Risks & Opportunities; S&RA=Strategy & Resource Allocation; PER=Performance; OUT=Outlook; BP=Basis of Presentation. Table 2 presents the extent of integrated reporting (IR) adoption across industries and content elements. Overall, the average disclosure score is approximately 49% of the maximum attainable score. This indicates a moderate level of IR adoption among listed companies in Nigeria. However, consistent with the benchmark suggested by prior studies (e.g., Pivac et al., 2017; Qian et al., 2021), where an index above 80% reflects substantial adoption, the observed level suggests that IR practices in Nigeria remain relatively low and far from full implementation.

Across the IR content elements, “Overview and External Environment (OEE),” “Governance (GOV),” “Strategy and Resource Allocation (S&RA),” and “Basis of Presentation (BP)” recorded relatively higher disclosure scores. In contrast, “Business Model (BM)” and “Outlook (OUT)” show significantly low levels of disclosure, with average scores of 5% and 13%, respectively. These elements are considered more forward-looking and innovative components of the IR framework, which may explain their limited adoption among firms.

Industry-level analysis reveals that the Financial Services sector recorded the highest overall disclosure score (58%), followed by Conglomerates, Consumer Goods, and ICT sectors (approximately 50%). Conversely, the Construction/Real Estate sector reported the lowest level of disclosure (34%). While some industries appear to be approaching moderate adoption levels, none meet the threshold for substantial IR adoption.

Inferential Statistics

The study utilized a one-way Analysis of Variance (ANOVA) to test the hypothesis that Integrated Reporting (IR) adoption varies significantly across different industrial sectors in Nigeria. The results of this analysis are detailed in Table 3.

Table 2
ANOVA Results for IR Content Elements and Overall Index

IR Content Elements	abbreviation of content elements		Sum of Squares	df	Mean Square	F	Sig.
Overview and External Environment	OEE	Between Groups	414.7	7.0	59.2	242.1	0.0000
		Within Groups	399.0	1630.0	0.2		
		Total	813.7	1637.0			
Governance	GOV	Between Groups	648.8	7.0	92.7	300.7	0.0000
		Within Groups	502.5	1630.0	0.3		
		Total	1151.3	1637.0			
Business model	BM	Between Groups	33.7	7.0	4.8	46.0	0.0000
		Within Groups	170.6	1630.0	0.1		
		Total	204.3	1637.0			
Risks and opportunities	R & O	Between Groups	183.5	7.0	26.2	90.9	0.0000
		Within Groups	470.2	1630.0	0.3		
		Total	653.7	1637.0			
Strategy and resource allocation	S&RA	Between Groups	179.7	7.0	25.7	214.8	0.0000
		Within Groups	194.9	1630.0	0.1		
		Total	374.6	1637.0			
Performance	PER	Between Groups	394.9	7.0	56.4	110.9	0.0000
		Within Groups	829.2	1630.0	0.5		
		Total	1224.2	1637.0			
Outlook	OUT	Between Groups	40.8	7.0	5.8	65.2	0.0000
		Within Groups	145.9	1630.0	0.1		
		Total	186.8	1637.0			

Basis of presentation	BP	Between Groups	1.6	7.0	0.2	26.3	0.0000
		Within Groups	14.2	1630.0	0.0		
		Total	15.8	1637.0			
Integrated Reporting Index	IRI	Between Groups	8.922	10.0	.892	27.68	0.0000
		Within Groups	52.448	1627.0	.032		
		Total	61.370	1637.0			

Source: Authors' Computation, 2025.

Statistical Components of the Integrated Reporting Index (IRI)

The one-way ANOVA results indicate significant variation in IRI scores across industry classifications. The between-groups degrees of freedom ($df = 10$) correspond to the eleven industry categories examined ($k - 1$), while the within-groups degrees of freedom ($df = 1627$) reflect the residual variation based on the total sample size ($N = 1,638$). The computed F-statistic ($F(10, 1627) = 27.68$) represents the ratio of the mean square between groups (0.892) to the mean square within groups (0.032). The magnitude of the F-statistic indicates that variation in IRI scores between industries substantially exceeds variation within industries. With an associated probability value ($p < .001$), the observed differences are statistically significant at the 1% level.

Comparative Analysis Across Integrated Reporting Elements

Further analysis of individual IR content elements reveals a consistent pattern of statistically significant variation ($p < .001$) across all domains: Organizational Overview ($F = 242.1$), Governance ($F = 300.7$), Business Model ($F = 46.0$), Risks and Opportunities ($F = 90.9$), Strategy and Resource Allocation ($F = 214.8$), Performance ($F = 110.9$), Outlook ($F = 65.2$), and Basis of Preparation ($F = 26.3$). While these results confirm that industry classification is significantly associated with differences in disclosure across all framework elements, the ANOVA does not specify which particular pairs of industries differ; therefore, post hoc multiple-comparison tests were conducted (See Appendix 2).

Post-Hoc Analysis

Post-hoc comparisons using the Tukey B test identified distinct clusters of industries based on their IRI scores. The results indicate that the Financial Services sector (Mean = 0.581) is significantly higher than most other sectors, while the Construction/Real Estate sector exhibits the lowest mean score (Mean = 0.346). The presence of five distinct homogeneous subsets suggests that industrial sectors in Nigeria operate within distinguishable reporting tiers. This aligns with stakeholder-oriented perspectives, which posit that firms in highly regulated and publicly visible sectors adopt comprehensive disclosure practices to mitigate information asymmetry (Brammer & Pavelin, 2008; Vitolla et al., 2019).

Robustness Checks

Given unequal group sizes and potential heteroscedasticity, Welch and Brown-Forsythe robust tests were conducted (See Appendix 3). The results remain statistically significant ($p < .001$), confirming the robustness of the ANOVA findings and indicating that the observed differences are not sensitive to violations of homogeneity of variance assumptions.

Hypothesis Testing

Hypothesis One

H₁: The listed companies in Nigeria have significantly adopted integrated reporting practices.

Based on the 80% benchmark threshold suggested in prior studies (Pivac et al., 2017; Qian et al., 2021), the observed aggregate disclosure score of 49% indicates a relatively low level of Integrated Reporting adoption. Accordingly, listed companies in Nigeria have not yet attained a high level of Integrated Reporting practice. This low level of adoption is particularly evident in forward-looking disclosure elements, such as the Business Model, Outlook, and Risks and Opportunities.

Hypothesis Two

H₂: The degree of integrated reporting practice varies significantly among industries.

The ANOVA results ($F = 27.68$, $p < .001$), supported by post-hoc analysis, demonstrate that Integrated Reporting practices vary significantly across industries. This indicates that industry classification is an important factor associated with variations in reporting practices among firms listed on the Nigerian Exchange Group.

Discussion of Findings

The first objective of the study was to examine the extent of Integrated Reporting (IR) practices among firms listed on the Nigerian Exchange Group. The findings indicate that IR adoption remains relatively moderate, with the aggregate disclosure index averaging approximately 49%. This suggests that, while firms have begun to incorporate elements of Integrated Reporting, full alignment with the International Integrated Reporting Framework has not yet been achieved.

A more nuanced analysis reveals a clear pattern in the distribution of disclosure across content elements. Firms tend to report more extensively on traditional components - such as Organizational Overview, Governance, Strategy and Resource Allocation, and Basis of Preparation - while relatively lower emphasis is placed on forward-looking and integrative elements, including Business Model, Risks and Opportunities, and Outlook. This pattern can be explained by the differing costs and risks associated with disclosure. Traditional elements are largely extensions of existing financial reporting practices and are therefore easier to implement, less costly, and subject to established regulatory expectations. In contrast, forward-looking disclosures often involve strategic, proprietary, and uncertain information, which firms may be reluctant to disclose due to concerns about competitive disadvantage and potential reputational risk (Hoang et al., 2020).

From a theoretical perspective, these findings can be interpreted through the lens of Stakeholder Theory. Firms are more likely to disclose information that satisfies the demands of powerful and immediate stakeholders, particularly where such disclosures are subject to regulatory scrutiny or market expectations (Vitolla et al., 2019). This helps explain the observed industry differences. Financial Services firms, which operate in a highly regulated environment and are subject to intense monitoring by regulators, investors, and the public, exhibit significantly higher levels of Integrated Reporting disclosure. In contrast, sectors such as Construction and Real Estate, which face relatively lower stakeholder pressure and regulatory oversight, exhibit lower disclosure levels. This suggests that stakeholder salience and institutional pressures play a critical role in shaping reporting practices.

An interesting and somewhat counterintuitive finding is that, despite being a traditionally established reporting element, performance disclosure remains only moderately developed (approximately 56%). This may reflect a tendency among firms to prioritize financial performance metrics while underreporting non-financial and forward-looking performance indicators. It may also indicate the persistence of selective disclosure practices, where firms disclose favorable information while withholding more sensitive or uncertain performance data. This highlights a key limitation in the current stage of IR adoption in Nigeria, where integration between financial and non-financial performance reporting remains incomplete.

Comparatively, the findings of this study are consistent with prior research in other developing and emerging economies, such as those reported by Chanatup et al. (2019) and Albetairi et al. (2018), which also document partial adoption of Integrated Reporting frameworks. However, the relatively moderate level of disclosure observed in Nigeria suggests a slower pace of adoption, likely reflecting differences in regulatory enforcement, institutional development, and capital market maturity. For instance, unlike South Africa, where Integrated Reporting is formally embedded within listing requirements (Hoang et al., 2020), Nigeria lacks a mandatory regulatory framework, resulting in more discretionary and uneven adoption across firms and industries (Akanni et al., 2025).

Overall, the findings suggest that Integrated Reporting adoption in Nigeria is still evolving and is largely driven by institutional pressures, stakeholder expectations, and industry-specific characteristics. Until stronger regulatory frameworks and enforcement mechanisms are established, firms are likely to continue prioritizing less sensitive, more traditional disclosure elements, thereby limiting the full realization of Integrated Reporting objectives.

5.0 Conclusion And Recommendations

This study investigated the extent of Integrated Reporting (IR) adoption across industrial sectors in Nigeria and evaluated the influence of industry classification on reporting quality. The empirical evidence indicates that Nigerian listed firms are currently at a crossroads, with an average disclosure index of 49%. While traditional elements, such as Governance and Basis of Preparation, are well entrenched, the innovative elements that constitute the core of integrated reporting - specifically the Business Model (5%), Future Outlook (13%), and Risks and Opportunities (23%) - remain largely underreported. Overall, the findings suggest that IR adoption in Nigeria is predominantly compliance-driven rather than value-creation oriented, thereby limiting the provision of forward-looking information that is theoretically important for investor decision-making.

Based on the identified deficiencies in the "forward-looking" and "innovative" elements of IR, the following specific and actionable recommendations are proposed:

- i. The Financial Reporting Council of Nigeria could consider transitioning from a voluntary regime toward a "comply or explain" approach to Integrated Reporting. In particular, encouraging the disclosure of key forward-looking elements - such as the Business Model, Risks and Opportunities, and Future Outlook - would enhance transparency and align reporting practices more closely with frameworks adopted in jurisdictions such as those governing the Johannesburg Stock Exchange.

- ii. Professional accountancy bodies, including the Institute of Chartered Accountants of Nigeria and the Association of National Accountants of Nigeria, should strengthen capacity development by incorporating Integrated Reporting and non-financial assurance into their professional examination syllabi and Continuing Professional Development (CPD) programs. This would help address existing technical gaps and support a transition toward more forward-looking reporting practices.
- iii. Given the relatively higher adoption within the financial services sector, regulators such as the Central Bank of Nigeria and National Insurance Commission could develop sector-specific IR guidelines. Such guidance may include standardized templates for value creation disclosures to enhance comparability and improve the quality of information available to investors.
- iv.

Limitations of the Study

Despite the relatively large sample size (N = 1,638), this study has certain limitations. First, the use of a disclosure index, although grounded in the International <IR> Framework, involves some degree of subjectivity in assessing the depth and quality of narrative disclosures. Second, the analysis is restricted to firms listed on the Nigerian Exchange Group, which may limit the generalizability of the findings to private firms or public sector entities. Third, as Integrated Reporting continues to evolve, the study captures a snapshot in time and does not fully reflect recent developments associated with the sustainability reporting standards issued by the International Sustainability Standards Board under the IFRS Foundation.

Suggestions for Further Study

Given the findings and limitations of this research, the following areas are proposed for future academic investigation:

- i. Future studies could undertake a comparative analysis of IR quality between Nigeria and South Africa. Given that South Africa adopts an “apply or explain” approach within the Johannesburg Stock Exchange framework, such a comparison would provide a natural setting to assess the impact of mandatory versus voluntary regulatory regimes on disclosure quality.
- ii. Further research may examine the value relevance of Integrated Reporting in Nigeria by investigating whether higher disclosure scores - particularly in forward-looking components such as the Business Model and Outlook - are associated with reduced cost of equity or enhanced firm valuation.
- iii. In light of the introduction of IFRS S1 and S2 sustainability standards, future studies could assess whether their adoption by the Financial Reporting Council of Nigeria leads to measurable improvements in currently underreported areas, especially Risks and Opportunities and Future Outlook disclosures.

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