

P-ISSN : 0000-0000
 E-ISSN : 3047-602X
 Available : <https://jurnalhafasy.com/index.php/oikonomia>
 DOI : <https://doi.org/10.61942/oikonomia.v3i3.566>

Vol. 3 No. 3, May 2026

The Role of Integrated Reporting in Enhancing Firm Value : A Stakeholder Theory Based Analysis

Muhammad Astri Yulidar Abbas
¹UWGM Samarinda, Indonesia

Received: February 05, 2025
 Revised: February 22, 2026
 Accepted: March 01, 2026
 Published: March 06, 2026

Corresponding Author:
 Author Name*:
 Email*: astri@uwgm.ac.id

Abstrak: *Integrated Reporting (IR) has emerged as an innovative corporate reporting framework that integrates financial and non-financial information to demonstrate how organizations create sustainable value over time. In the context of increasing stakeholder demands for transparency and accountability, IR is considered an important mechanism for strengthening corporate legitimacy and enhancing firm value. Grounded in Stakeholder Theory, this study aims to analyze the role of Integrated Reporting in improving firm value through stakeholder-oriented disclosure practices. This research employs a quantitative approach using secondary data obtained from companies' annual reports, integrated reports, and financial statements of publicly listed firms that implement integrated reporting practices. Data were collected using documentation techniques and analyzed using panel data regression analysis to examine the influence of Integrated Reporting Quality on firm value while controlling for firm size and leverage. The results indicate that Integrated Reporting Quality has a positive and significant effect on firm value as measured by Tobin's Q. These findings suggest that companies with higher-quality integrated disclosures tend to achieve stronger market valuation due to improved transparency, reduced information asymmetry, and enhanced investor confidence. From the perspective of Stakeholder Theory, integrated reporting strengthens relationships with diverse stakeholders and improves corporate credibility in capital markets. In conclusion, integrated reporting plays a strategic role in enhancing firm value by improving transparency, stakeholder engagement, and long-term value creation.*

Keywords : *Corporate Transparency, Firm Value, Integrated Reporting, Stakeholder Theory, Sustainability Reporting*



P-ISSN : 0000-0000
 E-ISSN : 3047-602X
 Available : <https://jurnalhafasy.com/index.php/oikonomia>
 DOI : <https://doi.org/>

Vol. 3 No. 3, May 2026

INTRODUCTION

The rapid transformation of the global business environment has encouraged companies to adopt more comprehensive and transparent reporting practices that go beyond traditional financial disclosures. In recent decades, stakeholders have increasingly demanded information not only about financial performance but also about environmental, social, and governance (ESG) aspects that influence the sustainability of corporate operations. These developments have encouraged the emergence of Integrated Reporting (IR) as an innovative corporate reporting framework that combines financial and non-financial information in a single, coherent report. Integrated reporting aims to explain how organizations create value over time by integrating strategy, governance, performance, and future prospects within a broader sustainability perspective. In this context, IR is often regarded as an evolution of traditional corporate reporting because it provides a holistic view of how organizations utilize multiple resources and relationships to generate sustainable value. From the perspective of corporate transparency, integrated reporting is expected to reduce information asymmetry between companies and stakeholders while strengthening the credibility of corporate disclosures in capital markets (Velte, 2021).

The increasing attention to integrated reporting is closely related to the growing complexity of stakeholder expectations in the modern business landscape. Stakeholders such as investors, regulators, employees, communities, and civil society organizations now require companies to demonstrate accountability regarding how their activities affect economic, social, and environmental dimensions. Traditional financial reporting is often considered insufficient to capture these multidimensional aspects of corporate value creation. As a result, integrated reporting has emerged as an alternative framework that enables companies to communicate their value

creation processes in a more comprehensive manner. By integrating financial performance with ESG-related information, IR allows stakeholders to better understand how corporate strategies and operational decisions contribute to long-term value creation. In many cases, companies that adopt integrated reporting are perceived as more transparent, responsible, and forward-looking, which can positively influence investor perception and corporate reputation in financial markets (Makri & Kabra, 2023).

From a theoretical standpoint, the relevance of integrated reporting can be explained through Stakeholder Theory, which argues that firms should create value not only for shareholders but also for a broader set of stakeholders who influence or are affected by corporate activities. Stakeholder Theory emphasizes that long-term corporate success depends on the ability of firms to balance and manage relationships with diverse stakeholder groups. In this context, integrated reporting serves as an important communication mechanism that enables organizations to disclose how they create, maintain, and distribute value among different stakeholders. The IR framework highlights the role of multiple forms of capital such as financial, manufactured, intellectual, human, social, and natural capital in the value creation process. Through this integrated perspective, companies can demonstrate how their strategies and operations contribute to sustainable development while maintaining accountability to stakeholders. Consequently, integrated reporting is often viewed as a reporting practice that aligns corporate transparency with stakeholder-oriented governance principles (Izzo et al., 2025).

Empirical studies have increasingly examined the relationship between integrated reporting and firm value, particularly in terms of how IR improves corporate transparency and investor confidence. Several studies have found that the adoption and quality of integrated reporting are positively associated with firm

P-ISSN : 0000-0000
 E-ISSN : 3047-602X
 Available : <https://jurnalhafasy.com/index.php/oikonomia>
 DOI : <https://doi.org/>

Vol. 3 No. 3, May 2026

value and overall corporate performance. By providing more comprehensive and reliable information, IR can reduce information asymmetry between managers and investors, thereby improving investment decision-making and strengthening market valuation. Furthermore, integrated reporting can enhance corporate legitimacy and reputation, which are important intangible assets that contribute to long-term firm value. Research indicates that companies with high-quality integrated reporting tend to demonstrate stronger financial performance and higher market valuation compared to firms that rely solely on traditional financial disclosures (Velte, 2021).

In addition, integrated reporting can strengthen investor trust by offering a clearer picture of how companies manage sustainability risks and opportunities. Investors increasingly consider ESG-related information when evaluating corporate performance and long-term viability. Through integrated reporting, companies can demonstrate how sustainability strategies are embedded in their business models and governance structures. This transparency enables investors to assess corporate resilience, strategic direction, and future prospects more effectively. Empirical evidence suggests that the implementation of integrated reporting often leads to improved stakeholder engagement and increased investor confidence, which can positively influence firm value in capital markets (Alatawi et al., 2024).

Despite these promising findings, the empirical relationship between integrated reporting and firm value remains inconsistent across different studies and contexts. Some research indicates that integrated reporting does not always lead to a significant improvement in market value or value relevance. In certain cases, investors may not fully utilize the information contained in integrated reports, particularly in markets where the adoption of non-financial reporting is still relatively new. Furthermore, variations in the quality and depth of integrated reporting practices may influence the extent to which IR affects corporate

valuation. Studies conducted in different institutional contexts have shown that the impact of integrated reporting on firm value may depend on market maturity, regulatory frameworks, and stakeholder awareness of sustainability issues (Priyadarshani et al., 2023).

The mixed empirical findings indicate that the relationship between integrated reporting and firm value is not always straightforward. In some markets, the adoption of IR may initially have limited influence because investors and stakeholders are still learning how to interpret non-financial information. Moreover, symbolic or superficial adoption of integrated reporting without substantial disclosure quality may reduce its potential benefits for corporate valuation. Research suggests that the effectiveness of IR largely depends on the credibility, materiality, and strategic integration of disclosed information. Without substantive disclosure that connects corporate strategy, risks, and performance, integrated reporting may fail to provide meaningful insights for stakeholders and investors (Delegkos et al., 2025).

Another important factor influencing the effectiveness of integrated reporting is corporate governance. Strong governance structures can enhance the credibility and reliability of integrated reporting by ensuring that disclosed information reflects actual corporate practices rather than symbolic compliance. Elements such as board independence, CSR committees, and external assurance mechanisms can improve the quality of integrated reports and strengthen stakeholder trust in disclosed information. Empirical evidence indicates that firms with strong corporate governance tend to produce higher-quality integrated reports, which in turn contribute to stronger enterprise value and improved stakeholder relationships. These findings highlight the importance of governance mechanisms in reinforcing the positive impact of integrated reporting on corporate valuation (Erin & Adegboye, 2021).

P-ISSN : 0000-0000
 E-ISSN : 3047-602X
 Available : <https://jurnalhafasy.com/index.php/oikonomia>
 DOI : <https://doi.org/>

Vol. 3 No. 3, May 2026

In addition to governance mechanisms, stakeholder pressure also plays a significant role in shaping integrated reporting practices. Companies often adopt integrated reporting in response to demands from institutional investors, regulators, non-governmental organizations, and civil society groups. Stakeholder engagement can encourage firms to improve the quality and transparency of their disclosures, thereby enhancing the credibility of integrated reports. When stakeholders actively monitor corporate behavior and demand greater transparency, companies are more likely to produce integrated reports that genuinely reflect their sustainability strategies and value creation processes. Consequently, stakeholder pressure can act as a driving force that strengthens the relationship between integrated reporting and firm value (AbuRaya, 2023).

Furthermore, integrated reporting that genuinely reflects stakeholder interests can improve corporate legitimacy and reduce reputational risk. Organizations that communicate openly about their sustainability performance and stakeholder relationships are more likely to gain public trust and social approval. This legitimacy can enhance corporate reputation and create competitive advantages in both financial and non-financial markets. In the long term, firms that successfully integrate stakeholder interests into their reporting and governance practices are better positioned to achieve sustainable value creation and maintain stable relationships with stakeholders. These outcomes ultimately contribute to improved firm value and long-term organizational resilience (Dameri & Ferrando, 2021).

Although prior research has examined the relationship between integrated reporting and firm value, several research gaps remain. First, many studies focus primarily on the direct relationship between IR adoption and firm performance without sufficiently explaining the theoretical mechanisms that link integrated reporting practices with value creation. Second, empirical evidence regarding the effectiveness

of integrated reporting remains inconsistent across different institutional and market contexts. Third, previous research often emphasizes investor perspectives while paying limited attention to how integrated reporting reflects broader stakeholder interests in accordance with Stakeholder Theory. These limitations indicate the need for further investigation into how integrated reporting contributes to firm value through stakeholder-oriented transparency and accountability mechanisms (Opanyi & Omare, 2022).

Based on these gaps, this study offers a novelty by examining the role of integrated reporting in enhancing firm value through the perspective of Stakeholder Theory. Unlike previous studies that primarily focus on financial outcomes or investor reactions, this research emphasizes the broader stakeholder-oriented mechanisms through which integrated reporting can contribute to corporate value creation. By integrating insights from stakeholder engagement, governance mechanisms, and sustainability disclosures, this study provides a more comprehensive understanding of how integrated reporting influences firm value in contemporary corporate environments. This perspective highlights the importance of transparency, stakeholder relationships, and sustainable value creation as key drivers of corporate valuation in modern capital markets.

Therefore, the objective of this study is to analyze the role of integrated reporting in enhancing firm value by examining how integrated disclosure practices support stakeholder engagement and long-term value creation within the framework of Stakeholder Theory. Through this analysis, the study seeks to provide deeper insights into the strategic importance of integrated reporting in strengthening corporate transparency, stakeholder trust, and sustainable firm performance in the evolving landscape of corporate governance and sustainability reporting.

METHOD

The study employs a quantitative research approach to examine the role of Integrated Reporting (IR) in enhancing firm value from the perspective of Stakeholder Theory. The research focuses on publicly listed companies that have implemented integrated reporting practices as part of their corporate disclosure. The data used in this study are secondary data obtained from several reliable sources, including companies' annual reports, integrated reports, sustainability reports, and financial statements published on official company websites and stock exchange databases. In addition, firm value and financial data are collected from publicly available financial databases to ensure the reliability of the dataset. The data collection technique uses a documentation method, where relevant information related to integrated reporting practices and firm performance indicators is systematically identified and compiled. Integrated reporting variables are measured using disclosure indicators based on the Integrated Reporting Framework, which evaluates the extent and quality of integrated disclosure across multiple capital elements. Meanwhile, firm value is measured using market-based indicators such as Tobin's Q or market-to-book ratio, which reflect how the market evaluates corporate performance and future prospects.

To analyze the relationship between integrated reporting and firm value, this study utilizes statistical analysis techniques using panel data regression models. The analysis begins with descriptive statistics to provide an overview of the characteristics of the research variables and the distribution of the collected data. This is followed by classical assumption tests, including normality, multicollinearity, heteroscedasticity, and autocorrelation tests, to ensure the validity and reliability of the regression model. The main analysis uses multiple regression analysis to examine the influence of integrated reporting on firm value while controlling for several relevant variables such as firm size, leverage, and corporate governance characteristics. Furthermore, robustness analysis may be conducted to

confirm the stability of the results. Through this analytical approach, the study aims to identify whether the quality of integrated reporting contributes significantly to firm value and to explain the empirical relationship between stakeholder-oriented disclosure practices and corporate valuation in the capital market.

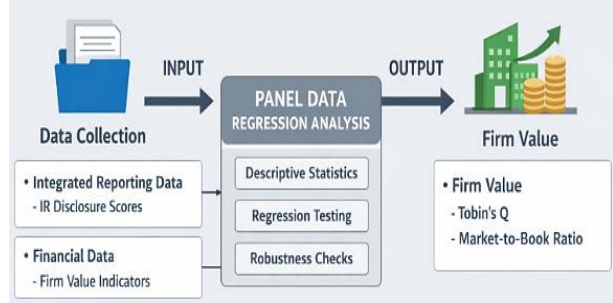


Figure 1. Diagram Conceptual Research

RESULTS AND DISCUSSION

In order to understand the empirical relationship between Integrated Reporting and firm value, the study first presents descriptive statistics of the research variables. Descriptive statistics provide an overview of the distribution, central tendency, and variability of the variables used in the analysis. The variables included in this study consist of Integrated Reporting Quality (IRQ), Firm Value measured by Tobin's Q, Firm Size, and Leverage as control variables. The descriptive statistics help illustrate the overall characteristics of the dataset before conducting regression analysis.

Table 1. Descriptive Statistics of Research Variables

Variable	N	Mean	Std. Deviation	Min	Max
Integrated Reporting Quality (IRQ)	120	0.62	0.15	0.31	0.89
Tobin's Q (Firm Value)	120	1.48	0.52	0.72	2.95
Firm Size (Log Total Assets)	120	28.41	1.25	25.92	31.04
Leverage (Debt to Equity Ratio)	120	1.12	0.63	0.18	3.47

P-ISSN : 0000-0000
 E-ISSN : 3047-602X
 Available : <https://jurnalhafasy.com/index.php/oikonomia>
 DOI : <https://doi.org/>

Vol. 3 No. 3, May 2026

Based on Table 1, the average Integrated Reporting Quality score is 0.62, indicating that most companies have implemented a moderate to relatively high level of integrated disclosure practices. The Tobin's Q value has a mean of 1.48, suggesting that on average the market valuation of firms exceeds their book value, which reflects positive investor perceptions toward the sampled companies. The relatively moderate standard deviation across variables indicates that the data distribution is reasonably stable. Firm size shows a mean log asset value of 28.41, indicating that the sample largely consists of medium to large publicly listed companies. Meanwhile, the leverage ratio of 1.12 suggests that many firms rely on a balanced combination of debt and equity financing. These descriptive results provide preliminary evidence that companies adopting integrated reporting tend to demonstrate relatively strong market valuations, although further regression analysis is required to confirm the relationship.

After examining the descriptive characteristics of the dataset, the study proceeds with regression analysis to test the influence of Integrated Reporting Quality on firm value. Panel data regression is used to determine whether integrated reporting significantly affects Tobin's Q while controlling for firm size and leverage. The regression results are presented in Table 2.

Table 2. Panel Data Regression Results: Effect of Integrated Reporting on Firm Value

Variable	Coefficient	Std. Error	t-Statistic	Probability
Constant	-0.842	0.364	-2.31	0.023
Integrated Reporting Quality (IRQ)	0.765	0.182	4.20	0.000
Firm Size	0.094	0.031	3.03	0.003
Leverage	-0.117	0.052	-2.25	0.026
R ²	0.46			
Adjusted R ²	0.44			
F-statistic	24.18			0.000

The regression results presented in Table 2 indicate that Integrated Reporting Quality has a positive and statistically significant effect on firm value. The coefficient

value of 0.765 with a significance level of 0.000 suggests that higher quality integrated reporting is associated with an increase in Tobin's Q. This finding supports the argument that integrated reporting enhances corporate transparency and reduces information asymmetry, thereby strengthening investor confidence and improving market valuation. The result is consistent with the perspective of Stakeholder Theory, which emphasizes that companies creating transparent and accountable communication with stakeholders are more likely to gain long-term economic benefits.

In addition, firm size shows a positive and significant influence on firm value, indicating that larger companies tend to obtain higher market valuation due to stronger resources, reputation, and market stability. Conversely, leverage exhibits a negative and significant relationship with firm value, implying that excessive reliance on debt financing may increase financial risk and reduce investor confidence. The model explains approximately 46 percent of the variation in firm value, as indicated by the R² value of 0.46, suggesting that integrated reporting and the control variables contribute meaningfully to explaining firm valuation. Overall, these findings provide empirical evidence that integrated reporting plays an important role in enhancing firm value by strengthening transparency, stakeholder trust, and the credibility of corporate disclosures in capital markets.

Discussion

The findings of this study provide empirical evidence regarding the role of Integrated Reporting (IR) in enhancing firm value from the perspective of Stakeholder Theory. Based on the regression results presented in Table 2, Integrated Reporting Quality shows a positive and statistically significant effect on firm value as measured by Tobin's Q. This result indicates that companies with higher quality integrated reporting tend to achieve stronger market valuation compared to firms with lower levels of disclosure integration. From a theoretical perspective, this

P-ISSN : 0000-0000
 E-ISSN : 3047-602X
 Available : <https://jurnalhafasy.com/index.php/oikonomia>
 DOI : <https://doi.org/>

Vol. 3 No. 3, May 2026

finding supports the argument that integrated reporting functions as a strategic communication tool that enhances transparency and accountability toward stakeholders. When companies disclose comprehensive information about financial and non-financial performance, stakeholders gain a clearer understanding of how corporate strategies generate long-term value. Such transparency reduces information asymmetry between management and investors, which in turn strengthens investor confidence and contributes to higher firm value (Velte, 2021).

The positive relationship between integrated reporting and firm value also reflects the increasing importance of sustainability and transparency in modern capital markets. Investors today are no longer solely concerned with short-term financial outcomes but also evaluate the long-term sustainability of corporate business models. Integrated reporting allows companies to communicate how their operations create value through the effective management of financial, social, environmental, and intellectual resources. By integrating these aspects into a single reporting framework, IR provides stakeholders with a holistic understanding of corporate value creation processes. Consequently, firms that implement high-quality integrated reporting are more likely to be perceived as sustainable and responsible organizations, which enhances investor trust and market valuation (Makri & Kabra, 2023).

The findings of this study are consistent with several empirical studies that demonstrate a positive association between integrated reporting and corporate performance. Previous research has shown that companies adopting integrated reporting tend to experience improved financial outcomes, stronger investor confidence, and enhanced corporate reputation. Integrated reporting contributes to these outcomes by improving the quality of corporate disclosures and providing stakeholders with relevant information about strategic direction, governance structures, and risk management practices. As a result, investors are better able to assess the long-term prospects of firms that implement integrated reporting frameworks.

The positive coefficient obtained in this study therefore reinforces the argument that integrated reporting can serve as a mechanism for strengthening firm value through enhanced transparency and stakeholder engagement (Alatawi et al., 2024).

Furthermore, the results align with systematic literature reviews that highlight the “business case” of integrated reporting. Several studies have concluded that the adoption of IR generally leads to improvements in firm value and overall corporate performance, particularly when companies provide high-quality disclosures that integrate financial and non-financial information. These improvements are often driven by increased transparency, better stakeholder communication, and enhanced legitimacy in the eyes of investors and regulators. As stakeholders gain greater insight into corporate sustainability practices and long-term strategies, they are more likely to perceive the firm as a credible and trustworthy organization. This perception ultimately contributes to higher firm valuation in capital markets (Sim et al., 2025).

From the perspective of Stakeholder Theory, the positive impact of integrated reporting on firm value can be explained by the broader role of corporations in creating value for multiple stakeholder groups. Stakeholder Theory argues that companies must consider the interests of various stakeholders, including investors, employees, customers, regulators, and the wider community. Integrated reporting aligns with this theoretical perspective because it explicitly recognizes that corporate value creation depends on the effective management of relationships with these stakeholders. By disclosing how companies utilize different forms of capital such as financial, human, intellectual, and natural capital, integrated reporting demonstrates how organizations balance economic objectives with social and environmental responsibilities. This comprehensive approach enables companies to build stronger stakeholder relationships and maintain long-term legitimacy, which ultimately contributes to improved firm value (Izzo et al., 2025).



P-ISSN : 0000-0000
 E-ISSN : 3047-602X
 Available : <https://jurnalhafasy.com/index.php/oikonomia>
 DOI : <https://doi.org/>

Vol. 3 No. 3, May 2026

The six-capital framework embedded in integrated reporting further illustrates how organizations generate value through interconnected resources and relationships. These capitals include financial capital, manufactured capital, intellectual capital, human capital, social and relationship capital, and natural capital. Through integrated reporting, companies can explain how these capitals interact to support business strategies and long-term performance. This holistic perspective provides stakeholders with a deeper understanding of how organizations create and sustain value over time. When stakeholders recognize that firms effectively manage these capitals and address ESG issues, they are more likely to perceive the organization as sustainable and resilient, thereby strengthening investor confidence and market valuation (Nugraha et al., 2025).

Another important mechanism explaining the relationship between integrated reporting and firm value is stakeholder pressure and engagement. In many cases, companies adopt integrated reporting in response to increasing demands from institutional investors, regulators, and civil society organizations. Stakeholder pressure encourages firms to disclose more comprehensive and transparent information about their operations, sustainability initiatives, and governance practices. As stakeholder engagement increases, companies are incentivized to improve the quality of their integrated reports to maintain credibility and legitimacy. This process creates a virtuous cycle in which enhanced transparency leads to stronger stakeholder trust and ultimately contributes to higher firm value (AbuRaya, 2023).

However, while the results of this study demonstrate a significant positive relationship between integrated reporting and firm value, previous research has also highlighted that the impact of IR is not always consistent across different contexts. Some studies have reported weak or insignificant effects of integrated reporting on market value, suggesting that the benefits of IR may depend on several contextual factors such as institutional environment, investor awareness, and reporting

quality. For instance, in certain markets investors may not fully incorporate integrated reporting information into their valuation decisions, particularly when non-financial disclosures are still relatively new or poorly understood. These variations indicate that the effectiveness of integrated reporting in improving firm value may depend on the maturity of the reporting environment and the credibility of disclosed information (Priyadarshani et al., 2023).

The inconsistency found in some empirical studies suggests that the mere adoption of integrated reporting does not automatically lead to improved firm value. Instead, the quality and substance of integrated disclosures play a crucial role in determining whether IR can generate economic benefits. High-quality integrated reports should clearly explain the connections between corporate strategy, governance structures, risk management, and performance outcomes. When integrated reporting becomes merely symbolic or superficial, it may fail to provide meaningful information to stakeholders. Consequently, investors may disregard such disclosures when making investment decisions. This highlights the importance of focusing on the quality and materiality of integrated reporting rather than simply measuring its adoption (Delegkos et al., 2025).

Corporate governance also plays a significant role in strengthening the impact of integrated reporting on firm value. Strong governance structures can enhance the credibility and reliability of corporate disclosures by ensuring that integrated reports accurately reflect the organization's strategic priorities and sustainability practices. Elements such as board independence, CSR committees, and external assurance mechanisms are often associated with higher reporting quality. Firms with effective governance systems are more likely to produce integrated reports that provide meaningful insights into corporate performance and risk management. Consequently, the presence of strong governance mechanisms can amplify the positive relationship between integrated reporting and enterprise value (Erin & Adegboye, 2021).



P-ISSN : 0000-0000
 E-ISSN : 3047-602X
 Available : <https://jurnalhafasy.com/index.php/oikonomia>
 DOI : <https://doi.org/>

Vol. 3 No. 3, May 2026

The interaction between integrated reporting and corporate governance has also been highlighted in several recent studies that demonstrate how governance mechanisms strengthen the economic benefits of IR. When integrated reporting is supported by transparent governance structures, stakeholders are more likely to perceive corporate disclosures as credible and reliable. This credibility increases the effectiveness of integrated reporting in reducing information asymmetry and improving investor confidence. Empirical evidence suggests that firms with strong governance frameworks tend to achieve higher enterprise value when they adopt integrated reporting practices, indicating that governance quality can act as an important moderating factor in the IR–firm value relationship (Abiodun et al., 2025).

In addition to governance factors, the institutional environment and level of market development may influence how integrated reporting affects firm value. In developed markets where investors are more familiar with sustainability disclosures, integrated reporting tends to have a stronger impact on corporate valuation. Conversely, in emerging markets where non-financial reporting practices are still evolving, the benefits of integrated reporting may take longer to materialize. Investors and stakeholders in such environments may require time to interpret and evaluate the relevance of ESG-related disclosures. As a result, the relationship between integrated reporting and firm value may become stronger over time as stakeholders gain greater familiarity with integrated reporting frameworks (Friske et al., 2022).

The findings of this study also highlight the importance of stakeholder-oriented reporting practices in strengthening corporate legitimacy. Organizations that openly communicate their sustainability strategies, stakeholder relationships, and long-term value creation processes are more likely to gain trust from investors and society. This legitimacy can help firms reduce reputational risks and enhance their competitive advantages in the marketplace. Integrated reporting therefore serves not only as a disclosure tool but also as a

strategic instrument that enables companies to build stronger relationships with stakeholders and maintain long-term sustainability. Firms that effectively integrate stakeholder interests into their reporting practices are more likely to achieve stable financial performance and higher firm value (Dameri & Ferrando, 2021).

Furthermore, integrated reporting that genuinely reflects stakeholder interests can contribute to improved organizational resilience and long-term strategic alignment. When companies actively engage with stakeholders and incorporate their concerns into corporate strategies, they are better able to anticipate risks and identify emerging opportunities. Integrated reporting facilitates this process by encouraging organizations to think holistically about value creation and sustainability. Such strategic alignment strengthens the firm's ability to adapt to changing economic, environmental, and social conditions, thereby supporting long-term value creation (Makau, 2024).

Overall, the results of this study confirm that integrated reporting plays an important role in enhancing firm value by strengthening transparency, accountability, and stakeholder engagement. From the perspective of Stakeholder Theory, integrated reporting serves as a mechanism through which companies communicate how they create value for multiple stakeholder groups while maintaining sustainable business practices. The empirical findings demonstrate that firms with higher quality integrated reporting tend to achieve stronger market valuation, supporting the argument that transparency and stakeholder-oriented disclosure practices are essential components of modern corporate governance. By integrating financial and non-financial information into a comprehensive reporting framework, integrated reporting enables companies to build stronger stakeholder relationships, enhance investor confidence, and ultimately improve firm value in the long term.

CONCLUSIONS

The findings of this study demonstrate that Integrated Reporting plays a significant role in enhancing firm value by strengthening

P-ISSN : 0000-0000
 E-ISSN : 3047-602X
 Available : <https://jurnalhafasy.com/index.php/oikonomia>
 DOI : <https://doi.org/>

Vol. 3 No. 3, May 2026

transparency, accountability, and stakeholder-oriented communication within corporate reporting practices. The empirical results indicate that higher quality Integrated Reporting is positively associated with firm value, as reflected in increased market valuation. From the perspective of Stakeholder Theory, this relationship can be explained by the ability of integrated reporting to provide comprehensive information about how companies create and sustain value through financial and non-financial resources, including environmental, social, and governance aspects. By integrating these dimensions into a unified reporting framework, firms are able to reduce information asymmetry, improve investor confidence, and build stronger relationships with diverse stakeholder groups. Consequently, integrated reporting not only functions as a reporting mechanism but also as a strategic tool that enhances corporate legitimacy and supports sustainable value creation in the capital market.

ACKNOWLEDGMENT

The author would like to express sincere gratitude to all parties who contributed to the completion of this research. Appreciation is extended to colleagues and academic peers who provided valuable insights, constructive feedback, and encouragement throughout the research process. The author also acknowledges the support of institutions and organizations that provided access to data and academic resources necessary for conducting this study. Finally, special thanks are conveyed to all stakeholders whose contributions, directly or indirectly, helped facilitate the successful completion of this research on the role of Integrated Reporting in enhancing firm value from a stakeholder theory perspective.

REFERENCES

1. Abiodun, O., Siyanbola, T., & Odewole, O. (2025). Integrated reporting and enterprise value of consumer goods companies listed on Nigerian Exchange Group. *FUDMA Journal of Accounting and Finance Research (FUJAFR)*. <https://doi.org/10.33003/fujaf-2025.v3i3.218.156-176>
2. AbuRaya, R. (2023). The role of institutional and stakeholder interaction in integrated reporting policy development. *Critical Perspectives on International Business*. <https://doi.org/10.1108/cpoib-12-2021-0110>
3. Alatawi, M., Daud, Z., & Johari, J. (2024). Nexus between integrated reporting and firm value: A systematic literature review. *Corporate and Business Strategy Review*. <https://doi.org/10.22495/cbsrv5i2art13>
4. Ayem, S., Kusuma, H., & Arifin, J. (2024). Integrated reporting, ESG disclosure, forecast accuracy, and firm value: Profitability as moderating variable. *Journal of Lifestyle and SDGs Review*. <https://doi.org/10.47172/2965-730x.sdgsreview.v5.n02.pe02608>
5. Dameri, R., & Ferrando, P. (2021). Value creation disclosure: The international integrated reporting framework revisited in the light of stakeholder theory. *Meditari Accountancy Research*. <https://doi.org/10.1108/medar-11-2020-1103>
6. Delegkos, A., Skordoulis, M., & Kalantonis, P. (2025). Business strategies and corporate reporting for sustainability: A comparative study of materiality, stakeholder engagement, and ESG performance in Europe. *Sustainability*. <https://doi.org/10.3390/su17198814>
7. Erin, O., & Adegboye, A. (2021). Do corporate attributes impact integrated reporting quality? An empirical evidence. *Journal of Financial Reporting and Accounting*. <https://doi.org/10.1108/jfra-04-2020-0117>
8. Esposito, B., Raimo, N., Malandrino, O., & Vitolla, F. (2023). Circular economy disclosure and integrated reporting: The role



P-ISSN : 0000-0000
 E-ISSN : 3047-602X
 Available : <https://jurnalhafasy.com/index.php/oikonomia>
 DOI : <https://doi.org/>

Vol. 3 No. 3, May 2026

- of corporate governance mechanisms. *Business Strategy and the Environment*. <https://doi.org/10.1002/bse.3427>
9. Friske, W., Hoelscher, S., & Nikolov, A. (2022). The impact of voluntary sustainability reporting on firm value: Insights from signaling theory. *Journal of the Academy of Marketing Science*, 51, 372–392. <https://doi.org/10.1007/s11747-022-00879-2>
 10. Izzo, T., Russo, A., & Risaliti, G. (2025). Integrated reporting, stakeholders' perspective and sustainable disclosure: Systematic insights from empirical research. *Corporate Social Responsibility and Environmental Management*. <https://doi.org/10.1002/csr.3212>
 11. Lestari, D. (2025). Integrated reporting as a governance mechanism: Evidence from global perspectives. *Summa: Journal of Accounting and Tax*. <https://doi.org/10.61978/summa.v3i2.946>
 12. Makau, S. (2024). Impact of corporate social responsibility (CSR) reporting on firm performance. *American Journal of Accounting*. <https://doi.org/10.47672/ajacc.1784>
 13. Makri, M., & Kabra, K. (2023). Integrated reporting and firm value in an emerging economy: The moderating role of firm size. *Indonesian Journal of Sustainability Accounting and Management*. <https://doi.org/10.28992/ijsam.v7i1.697>
 14. Nugraha, E., Djadjadikerta, H., & Fettry, S. (2025). Mapping the landscape of integrated reporting study: A systematic literature review approach. *Edelweiss Applied Science and Technology*. <https://doi.org/10.55214/25768484.v9i3.5740>
 15. Opanyi, R., & Omare, D. (2022). Effect of integrated reporting on firm value of listed companies in Kenya. *European Journal of Accounting, Auditing and Finance Research*. <https://doi.org/10.37745/ejaafr.2013/vo10.n7pp3152>
 16. Priyadarshani, W., Yusoff, S., & Azam, F. (2023). Impact of integrated reporting on the value relevance of corporate disclosures. *International Journal of Professional Business Review*. <https://doi.org/10.26668/businessreview/2023.v8i7.3029>
 17. Sim, C., Hisham, M., & Voon, K. (2025). Fostering transparency, driving value creation and advancing SDGs: A review of integrated reporting. *International Journal of Service Management and Sustainability*. <https://doi.org/10.24191/ijsms.v10i1.24219>
 18. Velte, P. (2021). Archival research on integrated reporting: A systematic review of main drivers and the impact of integrated reporting on firm value. *Journal of Management and Governance*, 26, 997–1061. <https://doi.org/10.1007/s10997-021-09582-w>
 19. Yosepha, S. (2025). Harmonizing corporate reporting: A narrative review on ESG, IR, and global investor perceptions. *Sinergi International Journal of Accounting and Taxation*. <https://doi.org/10.61194/ijat.v3i2.713>