

## INTEGRATION OF FINANCIAL AND NON-FINANCIAL ASPECTS FOR GENERATING AND COMMUNICATING VALUE TO THE STAKE HOLDERS THROUGH INTEGRATED REPORTING

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**Abstract:** *Integrated reporting is a focus on reporting of non financial information along with the financial information. This paper deals with the identification of the possible strategies for creation of the value along with the perceptions of respondents regarding various issues of the integrated reporting system. The results show that better understanding of business through the improved internal processes were useful in connecting departments was useful to create value for stakeholders. It also found that there was a need of integration of metrics from non-financial to the financial to develop necessary reporting system. The study further stated that clearly defined goals and strategies were useful to plan for continuous improvement. The study also observed that the most preferred issue faced by the respondent are better understanding of business through the improved internal process (advantages), domestic legislation (challenge), development of necessary reporting system (suggestions), fully integrated report - a single report (mode of disclosures) . The present study suggests that information should be disclosed using a single integrated report instead of existing multiple reporting system. It likewise proposed to outfit the data of money related danger, item improvement, buyer necessities, limit development in million tones, deals and generation in volume, wellbeing and security, plan of action, dangers and opportunities, systems, execution and last standpoint in edge work of incorporated answering to see the real position of the concerned organization. At long last, it is inferred that there ought to be a mix of money related and non-monetary data in the yearly reports to mirror the genuine and reasonable perspective of the business.*

**Keywords:** *Non-Financial Information, Communicate Value, Strategies, Challenges, Advantages and Criticisms.*

### 1. INTRODUCTION

The estimation of an association relies on the quantity of components, monetary or unmistakable in nature and intangibles like individuals, normal assets, scholarly capital, markets and rivalry and so forth. It is anything but difficult to represent the money related or tangibles, where as it is hard to quantify the intangibles. Along these lines the idea of coordinated reporting has risen. A Danish compound organization Novozymes presented the idea of coordinated reporting in the year 2000. This was trailed by Magna Rautenbach stressing the significance of an incorporated reporting through his message as Integrated Sustainability Accounting, Assurance and Reporting. In the year 2003, Business Impact Review Group coined the term 'Indicators that Count' that takes in consideration the work place and environment as a bunch of indicators to disclose the non financial information along with the financial information. In the year 2004, the time scale experiment was made but in the year 2005 the exploratory research of integrated reporting system commenced. The World Intellectual Capital Initiative had framed the voluntary global frame work regarding this reporting. In 2007, it ramed connected reporting frame work to include the environmental issues of waste water, energy and carbon emissions through the principles of accounting for sustainability of project called(A4).Alan Wills adopted a principles of governance to furnish the financial as well as non-financial information in a single report. In the same way KPMG framed sustainability reports for the same. A multi organization Integrated

Reporting Committee as also established through Professor Mervyn King of South Africa to generate a frame work of an integrated report for any listed companies.

### **1.1 Advantages of Integrated Reporting**

The integrated reporting is useful to inter connection of departments, by developing the appropriate interval processes to know the overall view of business. The familiarity of an integrated report to senior management helps develop better frame work for the business model and create a value for stakeholders.

### **1.2 Challenges to Initiate Integrated Reporting**

The domestic legislation has to be transformed to bring out the necessity of integrated reporting. Appropriate frame work has to be developed for companies which have to be communicated to financiers and investors alike.

## **2. REVIEW OF LITERATURE**

Jonathan Labrey (2015) Said that Integrated Reporting helps the organization oversee procedures and exercises in a more successful manner and, above all, form consciousness of the heterogeneous capitals, assets, and connections utilized and influenced. Paritosh C. Basu and Dr. Sangeeta Wats(2015) found that both IR and EPM can at the same time serve the necessities of the substance and its partners. In the event that both these procedures can be blended and assigned as 'Big business Pervasive Performance Reporting', it will speak to a more extensive articulation of the organization's deliverables, its budgetary dependability, availability for accomplishing versatility and sustainability through more hazardous times . Gupta,S.K (2015)opined that ,Even however the advantages of Integrated Reporting are to a great extent comprehended, the improvement and agreeableness idea is yet late. Unless the organizations achieve a level where they feel that the misgivings are not impossible they won't have the capacity to walk the discussion. It was suggested to have a six grid model to identify the comprehensive frame work of the integrated reporting, integration between the external environment to the internal environment, capital of the organization and the business model and reporting of materiality (Deloitte, 2014), integrated thinking and strategy to save costs reflected in integrated reporting (Churet and Eccles,2014)he firm with higher growth opportunities had a positive correlation between integrated reporting and investor type ( Churet and Eccles,2014). It is also found that internal integration is required within the organization to frame a comprehensive integrated report to disclose the non-financial information along with the financial information (Lodhia, 2014) he integrated reporting includes non financial information along with the financial information (internal audit, governance of IT,social , environmental and economic suitability (Makiwane and Padia, 2013), civil law of countries, strong legal enforced countries, larger and profitable firms were interested to publish the results of the Integrated Reporting in their annual reports Fr'as-Aceituno, Rodr'guez-Ar'za, (2013) ; and support from staff, transparent goals and strategies, adequate reporting system, link between financial and non financial metrics design for continuous improvement required to adopt comprehensive IR. James (2013) explained the origin of the integrated reporting and explained how it was useful to the public. Owen (2013) found that increased market share is responsible for sustainability strategy Benau (2013) found that concentration of industry was not favorable to integrated reporting of projects with the non-financial information.According to (Arza, 2013) the integrated reporting was also influenced by the protection of the investors, coordination of markets and social and environmental factors. Jensen and Berg (2012) found that the integrated reporting disclosure could be in the form of fully integrated, integrated as well as separate, separate from the existing financial statements and present only on the web. Hindley and Buys (2012) found that the reasons for integrated reporting are risks associated with water usage, efficiency, ensure sustainability and governance to stake holders, shortage of natural resources

and inadequate risk management strategies Cause and effect was the outcome of the integrated reporting due to consideration of non-financial information along with financial information. (Kirus, 2011).

### 3. RESEARCH PROBLEM AND THE RESEARCH GAP

Presently the reporting system of the major companies furnishes only the financial information to ascertain the true and fair view of the financial results and the financial condition, but these companies do not consider the non-financial information (environmental aspects, risks and opportunities). However the true and fair view of the firm or company reflects only when they consider non-financial aspects along with the financial aspects. Hence, it is required to adopt the integrated reporting system to project the true and fair view of the company. However it is difficult to find out suitable model of integrated reporting system which is applicable to all the companies. The present study focus on possible strategies to adopt the integrated reporting along with its advantages, challenges, criticisms and the mode of disclosure.

#### 3.1 Significance of the Study

This study contributes the comprehensive framework of the business model variables to suit the requirements of the multivariate organizations. The organization can itself frame its own model to disclose the non-financial information along with the financial information to reflect the true and fair view of the overall results and condition of the organization along with the financial aspects.

#### 3.2 Objectives of the Study

- i. To recognize the various advantages, challenges, possible strategies, mode of disclosure and criticisms of integrated reporting.
- ii. To interpret analyze the perceptions of respondents regarding the various aspects of an integrated reporting.
- iii. To trace out the possible strategies to create value for stakeholders.
- iv. To suggest a needful insights to have a comprehensive integrated reporting system.

### 4. RESEARCH METHODOLOGY

#### 4.1 Nature of Study:

This study is relevant to the empirical analysis of the perceptions of the respondents and similar to the research paper.

#### 4.2 Sample

The convenient sampling method was applied to determine the sample size. The sample size of the study was the 150 consists of the Chartered Accountants (50), Accountants (50) and Academics (50).

#### 4.3 Method of Data Collection:

The data collected through the structured questionnaire from the 150 respondents and also required data collected from the published journals and magazines.

#### 4.4 Variables Studied:

The following variables integration of non-financial and the financial metrics, plan for continuous improvement and support of the relevant staff were selected as independent variables. The dependent variable was the creating value for stakeholders.

#### 4.5 Research Model:

Independent Variables	Dependent Variables
1. Link between the financial and non-financial metrics 2. Plan for continuous improvement 3. Support of the Relevant Staff	Creating value for stakeholders

Multiple Regression analysis was used in this study. Creating Value of Stake Holders =  $\alpha + \beta_1 \text{ * integration of non financial and financial} + \beta_2 \text{ * Successive Plan for continuous improvement} + \beta_3 \text{ * support of the staff} + \text{error term}$ .

#### 4.6 Statistical Tools Used:

The SPSS 16.0 version was used to infer the results. The techniques of descriptive statistics, frequency, chi-square and regression applied at the appropriate places to infer the results.

#### 4.7 Hypotheses

##### Hypothesis-1 :

**Null Hypothesis (H01):** Better understanding of business through the improved internal process not useful to create value for stakeholders.

**Alternative Hypothesis (Ha1):** Better understanding of business through the improved internal process is useful to create value for the stakeholders

##### Hypothesis-2:

**Null Hypothesis (H02):** Better Articulation of Business Model and Strategy not useful to create value for stakeholders.

**Alternative Hypothesis (Ha2):** Better Articulation of Business Model and Strategy is useful to create value for the stakeholders

##### Hypothesis-3:

**Null Hypothesis (Ho3):** There is no need of integration between non-financial and financial metrics to develop necessary reporting system.

**Alternative Hypothesis (Ha3):** There is need of integration between non financial and financial metrics to develop the necessary reporting system.

##### Hypothesis 4:

**Null Hypothesis (Ho4):** Clearly defined goals and strategies do not useful to plan for continuous improvement.

**Alternative Hypothesis (Ha4) :** Clearly defined goals and strategies useful to plan for continuous improvement.

##### Hypothesis 5:

**Null Hypothesis (Ho5):** This is no significant difference between the creating value for stake holders to the need of link between the financial and non-financial metrics, plan for continuous improvement and support of the relevant staff.

**Alternative Hypothesis (Ha5):** There is a significant difference between the creating value for stakeholders to need of link between the financial and non-financial metrics, plan for continuous improvement and support of the relevant staff.

#### 4.8 Personal Profile of the Respondents

Table -1: Designation of the Respondents

<i>Designation</i>	<i>Frequency</i>	<i>Percent</i>
Chartered Accountant	50	33.3
Accountant	50	33.3
Academician	50	33.3
Total	150	100.0

Source: Field Study-SPSS

This table narrates about the designation of the respondents. The number of chartered Accountants was fifty and the same number of respondents selected from the accounts as well as the academicians.

Table - 2: Age of the Respondents

<i>Age</i>	<i>Frequency</i>	<i>Percent</i>
21-40	108	72.0
41-60	24	16.0
61-80	17	11.3
Above 80	1	.7
Total	150	100.0

Source: Field Study- SPSS

This table discloses the distribution of the age of respondents, 72 percent of the respondents represented from the age group of 21-40, followed by the 41-60 and 61-80. Hence, it can be inferred that the majority of the respondents belonged to the age group of 21-40 years.

Table 3: Income of the Respondents

<i>Income</i>	<i>Frequency</i>	<i>Percent</i>
20,001-40,000	109	72.7
60,001-80,000	18	12.0
Above 80,000	23	15.3
Total	150	100.0

Source: Field Study- SPSS

Table 3 shows the income of the respondents. The majority of the respondents earned the income below 40,000 Rs, and 15.3 per cent of the respondents earned above 80,000 Rs and 12 per cent of them earned in between 60,001-80,000Rs. It came to know that higher number of respondents earned from twenty thousand to forty thousands.

Table 4: Educational Qualifications of the Respondents

<i>Educational Qualifications</i>	<i>Frequency</i>	<i>Percent</i>
CA	51	34.0
Accountant	47	31.3
Academician	52	34.7
Total	150	100.0

Source: Field Study-SPSS

The table-4 explains the educational qualifications of the selected respondents, the 31.3 per cent of the respondents belonged to the Accountants, and 34.7 cent of them confined to the Academicians and 34 per cent of them represented from the Chartered Accountant.

Table-5 : Gender of the Respondents

<i>Gender</i>	<i>Frequency</i>	<i>Percent</i>
Male	73	48.7
Female	77	51.3
Total	150	100.0

Source: Field Study- SPSS

This table says that 51.3 percent of the respondents represented from the female category and rest of the percentage (48.7 percent) of respondents belonged to the male. Hence, it was observed that female were more than male.

Table-6: Descriptive Statistics of Advantages of the Integrated Reporting

<i>Advantages of Integrated Reporting</i>	<i>N</i>	<i>Minimum</i>	<i>Maximum</i>	<i>Mean</i>	<i>Std. Deviation</i>
Better communication on the Global Impact Issues	150	4.00	5.00	4.2467	.43252
It is useful to connecting of departments	150	4.00	5.00	4.4867	.50150
Better understanding of business through the improved internal process	150	4.00	5.00	4.7600	.42851
Enhance the knowledge of senior management	150	4.00	5.00	4.7533	.43252
Better frame work of business strategy and model	150	3.00	5.00	4.2200	.84242
Generate value for stake holders	150	4.00	5.00	4.2467	.43252
N	150				

Source: Field Study-SPSS

This table shows the advantages of the integrated reporting. The most favored advantage by the respondents was better understanding of business through the improved internal process, followed by the enhance the knowledge of senior management, connecting of departments, better communication on the global impact issues, creating value for stake holders, and the better frame work of business strategy and the model. Hence, it can be concluded that the most preferred advantage of integrated reporting was the better understanding of business through the improved internal process.

Table-7: Descriptive Statistics of Integrated Reporting Challenges

<i>Challenges of Integrated Reporting</i>	<i>N</i>	<i>Minimum</i>	<i>Maximum</i>	<i>Mean</i>	<i>Std. Deviation</i>
Domestic legislation	150	4.00	5.00	4.7533	.43252
Newest Insights for corporate transparency	150	4.00	5.00	4.2667	.44370
Frame work for financiers and investors	150	3.00	4.00	3.7533	.43252
Interpretation and application	150	4.00	5.00	4.2400	.42851
Drivers and motivations	150	4.00	5.00	4.2667	.44370
Design of a Business model	150	4.00	4.00	4.0000	.00000
N	150				

Source: Field Study- SPSS

This table narrates the challenges of the integrated reporting. The respondents opined that the greatest challenge of integrated reporting was the domestic legislation, followed by the newest insights for corporate transparency, interpretation and application, design of a business model and frame work for financiers and investors and also stated that there was not valued opinion regarding the each challenge of the integrated reporting due to lesser value of standard deviation.

Table -8: Descriptive Statistics of Possible Strategies of Integrated Reporting

<i>Possible Strategies of Integrated Reporting</i>	<i>N</i>	<i>Minimum</i>	<i>Maximum</i>	<i>Mean</i>	<i>Std. Deviation</i>
Support of the relevant staff	150	4.00	5.00	4.7333	.44370
Transparent goals and strategies	150	4.00	5.00	4.7600	.42851

Generate suitable reporting system	150	4.00	5.00	4.4867	.50150
Plan for Successive improvement	150	4.00	5.00	4.7600	.42851
Need of link between the financial and non-financial metrics	150	4.00	5.00	4.4867	.50150
N	150				

Source: Field Study –SPSS

This table shows the possible strategies of the integrated reporting. The most preferred possible strategy was develop the necessary reporting system, followed by the link between the financial and non financial metrics, clearly defined companies goals and strategies, plan for continuous improvement and support of the relevant staff and also concluded there was no significant difference in opinion of respondents because of their standard deviation varied only from 0.42851 to 0.5010 and finally concluded that the most preferred strategy was develop the necessary reporting system to view a comprehensive frame work for integrated reporting.

Table -10.9: Descriptive Statistics of Mode of Disclosure of Integrated Reporting

<i>Mode of Disclosure of Integrated Reporting</i>	<i>N</i>	<i>Minimum</i>	<i>Maximum</i>	<i>Mean</i>	<i>Std. Deviation</i>
Unified Integrated Report	150	3.00	5.00	4.5067	.86503
Integrated and separated	150	3.00	5.00	3.7600	.82478
Separate Report	150	3.00	5.00	3.4933	.86503
Separate on the web.	150	4.00	4.00	4.0000	.00000
Not as a part of the annual report.	150	2.00	5.00	2.7400	1.29755
N	150				

Source: Field Study-SPSS

This table shows the mode of disclosure practices of integrated reporting. The opinion of majority of the respondents reporting of firms should be fully integrated and disclosed as a single integrated report and it was a most preferred disclosure practice, followed by the furnishes on the web, integrated and separated, separate report and not as a part of the annual report. Hence, it can be concluded that the most preferred disclosure practice was the fully integrated as a single integrated report.

Table -10: Descriptive Statistics of Criticisms of Integrated Reporting

<i>Criticisms of Integrated Reporting</i>	<i>N</i>	<i>Minimum</i>	<i>Maximum</i>	<i>Mean</i>	<i>Std. Deviation</i>
Regulators may not encourage the integrated reporting system	150	2.00	5.00	3.7667	1.08323
Unable to identify of all business activities	150	3.00	5.00	4.7133	.49611
Reduce the purpose of the reports due to generic nature of presentation.	150	2.00	5.00	4.1933	.53966
Integration of strategy needs corresponding to the stake holders	150	2.00	5.00	3.9667	.72738
Projection of the non-financial information not widely spread	150	3.00	5.00	3.9867	.72340
Unable to decide non-financial targets	150	3.00	5.00	4.2267	.45090
Presented information is not communicated and integrated	150	4.00	5.00	4.7600	.42851

N

150

Source: Field Study- SPSS

This table shows the criticisms of the integrated reporting. The favoured criticism by the respondents was presented information was not communicated and integrated followed by the inability to frame a comprehensive review of business activities, difficulty in setting measurable non-financial targets, decrease the utility of the report due to the generic disclosures, assurance of a non-financial information, and no clear integration of strategy needs corresponding to the stake holders and regulators may not encourage the integrated reporting system.

Table 11: Test of Association between Better Understanding of Business through the Improved Internal Process and Creation of the Shareholder Value

Better understanding of business through the improved internal process	Creating Value for Stake Holders			
		<i>Agree</i>	<i>Strongly Agree</i>	<i>Total</i>
	<i>Agree</i>	36 (100)	0 (0)	36 (100.0)
	<i>Strongly Agree</i>	77 (67.5)	37 (32.5)	114 (100.0)
	<i>Total</i>	113 (75.3)	37 (24.7)	150 (100.00)

<i>Particulars</i>	<i>Value</i>	<i>df</i>	<i>Asymp. Sig. (2-sided)</i>
Pearson Chi-Square	15.510a	1	.000
Likelihood Ratio	23.894	1	.000
Linear-by-Linear Association	15.407	1	.000
N of Valid Cases	150		

Source: Field Study- SPSS

### Hypothesis-1:

**Null Hypothesis (H01):** Better understanding of business through the improved internal process not useful to create value for stakeholders.

**Alternative Hypothesis (Ha1):** Better understanding of business through the improved internal process is useful to create value for the stakeholders

**Analysis :** In the Table 11 the calculated chi-square value was the 15.510 at df was 1 and the significant value was the 0.000, Hence, it came to know that proposed null hypothesis was not accepted and alternative hypothesis was accepted and also came to know that the better understanding of business through the improved internal process is a useful to create value for stake holders

Table - 12: Test of Association between Better Frame Work of the Business Strategy and Model and Creating Value for Stake Holders.

Better Frame Work	Creating Value for Stake Holders
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of the Business Strategy and Model.		<i>Agree</i>	<i>Strongly Agree</i>	<i>Total</i>
	<i>Neutral</i>	40 (100)	0 (0)	40 (100.0)
	<i>Agree</i>	37 (100.0)	0 (0)	37 (100.0)
	<i>Strongly Agree</i>	36 (49.3)	37 (50.7)	73 (100.00)
	<i>Total</i>	113 (75.3)	37 (24.7)	150 (100.0)

<i>Particulars</i>	<i>Value</i>	<i>df</i>	<i>Asymp. Sig. (2-sided)</i>
Pearson Chi-Square	51.806a	2	.000
Likelihood Ratio	66.407	2	.000
Linear-by-Linear Association	42.107	1	.000
N of Valid Cases	150		

Source: Field Study-SPSS

**Hypothesis-2:**

**Null Hypothesis (H02) :** Better Articulation of Business Model and Strategy not useful to create value for stakeholders.

**Alternative Hypothesis (Ha2) :** Better Articulation of Business Model and Strategy is useful to create value for the stakeholders

**Analysis :** The table 12 identified that the calculated chi-square value was the 51.806 at df was 2 and the significant value was the 0.000, Hence, it identified that assumed null hypothesis was not accepted and alternative hypothesis was considered and came to know that better articulation of Business Model and Strategy is useful to create value for the stakeholders

Table -13: Test of Association between Integration of Non-Financial to Financial metrics to Develop the Necessary Reporting System

Need of Integration between Financial and Non-Financial Metrics	Develop the Necessary Reporting System			
		<i>Agree</i>	<i>Strongly Agree</i>	<i>Total</i>
	<i>Agree</i>	77 (100)	0 (0)	77 (100.0)
	<i>Strongly Agree</i>	0 (0)	73 (100.0)	73 (100.0)
	<i>Total</i>	77 (51.3)	73 (48.7)	150 (100.00)

<i>Particulars</i>	<i>Value</i>	<i>df</i>	<i>Asymp. Sig. (2-sided)</i>
Pearson Chi-Square	1.500e2	1	.000
Likelihood Ratio	207.837	1	.000
Linear-by-Linear Association	149.00	1	.000
N of Valid Cases	150		

Source: Field Study-SPSS

**Hypothesis-3:**

**Null Hypothesis (Ho3):** There is no need of integration between non-financial and financial metrics to develop necessary reporting system.

**Alternative Hypothesis (Ha3):** There is need of integration between non financial and financial metrics to develop the necessary reporting system.

**Analysis:** The table 13 exhibits that the calculated chi-square value was the 1.500e2 at df was 1 and the significant value was the 0.000, Hence, it can be concluded that the proposed null hypothesis was rejected and alternative hypothesis was accepted and confirmed that there was a need of link between the non-financial and financial metrics to develop the necessary reporting system.

Table -14: Test of Association between Transparent Goals and Strategies and Plan for Continuous Improvement

Define Clearly the Companies Goals and Strategies	Plan for Continuous Improvement			
		Agree	Strongly Agree	Total
	Agree	36 (100)	0 (0)	36 (100.0)
	Strongly Agree	0 (0)	114 (100.0)	114 (100.0)
	Total	36 (51.3)	73 (48.7)	150 (100.00)

Particulars	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	1.500e2	1	.000
Likelihood Ratio	207.837	1	.000
Linear-by-Linear Association	149.00	1	.000
N of Valid Cases	150		

Source: Field Study -SPSS

**Hypothesis 4:**

**Null Hypothesis (Ho4):** Clearly defined goals and strategies do not useful to plan for continuous improvement.

**Alternative Hypothesis (Ha4):** Clearly defined goals and strategies useful to plan for continuous improvement.

**Analysis :** The table 14 identified that the value of Pearson chi-square was the 1.500E2 at df was 1 and significance value was the 0.000 and came to concluded that the proposed null hypothesis was rejected and alternative hypothesis was accepted and came to concluded that the clearly defined goals and strategies useful to plan for continuous improvement.

Table - 15: List of Dependent and Independent Variables

Model	Independent Variables	Variables Removed	Method
1	Need of link between the financial and non-financial metrics, Plan for continuous improvement, Support of the relevant		Enter

Source: SPSS-Field Study

**Dependent Variable:** Creating value for stakeholders

This table shows the variables entered as a independent variables of the need of link between the financial and non-financial metrics, plan for continuous improvement and support of the relevant staff.

Table -16: Test of Variability in Creating Value for Stakeholders through the Various Independent Variables

<i>Model</i>	<i>R</i>	<i>R Square</i>	<i>Adjusted R Square</i>	<i>Std. Error of the Estimate</i>
1	1.000	1.000	1.000	0.0000

**Source: SPSS-Field Study**

This table shows the variability in creating value for stakeholders through the various independent variables, need of link between the financial and non-financial metrics, plan for continuous improvement and support of the relevant staff. The 100 percent of variation in creating value for stake holders was explained by the need of link between the financial and non financial metrics, plan for continuous improvement and support of the relevant staff.

Table - 17: Test of Difference between Creating Value for Stake Holders to the Independent Variables

<i>Model</i>	<i>Sum of Squares</i>	<i>df</i>	<i>Mean Square</i>	<i>F</i>	<i>Sig</i>
Regression	27.873	3	9.291	1.835E16	0.000
Residual	0.000	146	0.000		
Total	27.873	149			

**Source: SPSS- Field Study**

a. **Predictors:** (Constant), Need of link between the financial and non-financial metrics, Plan for continuous improvement, Support of the relevant staff

b. **Dependent Variable:** Creating value for stake holders

#### **Hypothesis 5:**

**Null Hypothesis ( $H_0$ ):** This is no significant difference between the creating value for stake holders to the need of link between the financial and non-financial metrics, plan for continuous improvement and support of the relevant staff.

**Alternative Hypothesis ( $H_a$ ):** There is a significant difference between the creating value for stakeholders to need of link between the financial and non-financial metrics, plan for continuous improvement and support of the relevant staff.

**Analysis:** The table 17 exhibits that the sum of the regression value was the much more than the sum of the residual value at degree of freedom was 149 at F value was 1.835E16 and the level of significance was 0.000. It was inferred that the assumed null hypothesis was not accepted and alternative hypothesis was accepted and confirmed that there was a significant difference between the creating value for stakeholders to the need of link between the financial and non financial metrics, plan for continuous improvement and support of the relevant staff.

Table -10.18: Test of Favorableness towards the Creating Value of Stakeholders through the Different Variables

<i>Model</i>	<i>Unstandardized Coefficients</i>		<i>Standardized Coefficients</i>	<i>t</i>	<i>Sig.</i>
	<i>B</i>	<i>Std. Error</i>	<i>Beta</i>		
(Constant)	-5.000	.000		-1.186E8	.000
Support of the relevant staff	-1.951E-15	.000	.000	.000	1.000
Plan for continuous improvement	1.000	.000	.991	1.898E8	.000
Need of link between the financial and non-financial metrics	1.000	.000	1.159	1.911E8	.000

Source: SPSS- Field Study

**a. Dependent Variable:** Creating Value for Stake Holders

The above table reveals that link of between the financial and non-financial metrics was the more favourable response to create a value of shareholders and it was followed by the plan for continuous improvement. Hence, it is suggested to link between the financial and non-financial metrics to have a meaningful stake holder value.

**5. FINDINGS OF THE STUDY**

1. It was identified that better understanding of business through the improved internal process was useful in connecting various departments.
2. The study also found that better frame work of the business strategy and model is useful to create value for stakeholders.
3. The study identified that there was a need of link between the metrics of the non-financial and financial to develop the necessary reporting system.
4. It was evident that clearly defined goals and strategies were useful to plan for continuous improvement.
5. The most preferred advantage for the respondents was the better understanding of business through the improved internal process, followed by the focus and awareness of a senior management, connecting of departments, sharing of global issues and creating value for stakeholders and construction of a business model.
6. The preferred challenge of integrated reporting was the domestic legislation, followed by the corporate transparency, interpretation, construction of a business model and frame work for financiers and investors.
7. The respondents suggested to develop the necessary reporting system as a strategy to view a comprehensive integrated reporting system followed by the link between the financial and non financial metrics, clearly defined goals and strategies etc.,
8. The majority of the respondents opined that reporting of firms should be integrated in to a single report. rather than showing separate reports on the website as parts of the annual report.
9. The respondents opined that the information was not presented as an integrated manner followed by the inability to facilitate the comprehensive review of business activities, setting measurable non-financial targets, decrease in the utility of report, difficulty to access the non financial information and finally regulations may not encourage the integrated reporting system.

## 6. CONCLUSION AND SUGGESTIONS

The study observed that the vast majority of the respondents concurred that reporting framework ought to be coordinated with a mix of both monetary and non-budgetary data. It is proposed that each organization ought to take after the acts of incorporated answering to extend the monetary and in addition non money related data which is helpful to the partners, speculators, arrangement creators, government banks and budgetary foundations. The association ought to incorporate the accompanying components i.e. (Administration of Environment, waste, water, morals and privileges of people). It is likewise required to outfit the data of budgetary danger, item advancement, customer necessities, limit extension in million tones, deals and generation in volume, wellbeing and security, plan of action, dangers and opportunities, methodologies, execution and last standpoint in edge work of incorporated answering to see the overall position of the concerned organization.

### Limitations of the Study:

1. It is difficult to frame a comprehensive business model which is suitable to all levels of the organizations.
2. The data collected through the structured questionnaire from the respondents may be biased.
3. The study was meant only for organizations but the same model and strategy may not applicable to Government to consider its non financial information along with the financial information.

### Scope of Further Research

1. There is an immense potential to apply this model to the government through the disclosure of the non-financial information along with its financial information to rate the overall performance of the concerned government.
2. There is a lot of scope of further research in comparative analysis of the integrated reporting results from the one country to another country.
3. There is a significant scope to frame a comprehensive business model which is suitable to companies in different industries.

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