

Engagement in integrated reporting: evidence from the international integrating reporting council adoption framework

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Keywords

OAG Engagement, Integrated Reporting, IIRC Framework

Abstract

The research objectives are to emphasize that companies in Thailand apply the International Integrated Reporting Council (IIRC) framework into their integrated report, examine the board of committee responsiveness for the companies' used the integrated report, investigate of the adoption of the IIRC framework into the integrated report for companies in Thailand, and promote a rethink of corporate reporting, through the release of framework, guidelines and standards to improve the contents of information and process of integrated report in Thailand. The populations of this research came from the delegates, who attended the International Symposium on National Integrity System hosted by Office of the Auditor General (OAG) of Thailand in Chiang Mai, Thailand, on 18-19 February, 2016. There were 42 questionnaires completed by random.

The multi linear regression analysis was employed to analyze 5 independent variables. There are only 2 factors: governance and business model factors are significant and positively affected to the performance and outlook, basis of preparation and presentation at the 5% level of significance. The connectivity of information, OAG and business relationships, materiality, conciseness, reliability and completeness, and consistency and comparability should be discussed in the future research to be better instrument for stakeholders' decision making.

1. Introduction

For a large part of the last century corporate governance choices aimed at profit maximization (Jensen and Meckling, 1976) and obtainment of shareholders' short-term consent. This approach, typical of Anglo-Saxon corporations, also predominated in most firms of all industrialized countries, affecting their development and communications.

In recent decades, a different role of business in society has been claimed in order to respond to the increasing diffusion of frauds and mismanagement, and to comply with the emerging concepts of sustainable development (Steurer et al., 2005) and stakeholder relations management (Freeman, Martin, and Parmar, 2007).

A firm's sustainable growth underlines the necessary interdependence between stakeholder relationships management and integration of economic, social and environmental responsibilities (Henriques and Richardson, 2004). Firms aim at creating sustainable value as a condition for minimizing risks and protecting profitable durability. This causes a rethink of corporate governance purposes and a redefinition of the interaction among the board, the employees and the external stakeholders; furthermore, it necessitates a careful review of key performance variables and a new approach of communication. Hence, the importance of a holistic and integrated representation of a firm's economic, social and environmental performance has been progressively recognized since the beginning of this century.

According to these premises, the research focuses on the integrated report as a tool for improving corporate communication through both the OAG (Office of Auditor General of Thailand) engagement for the selection of significant information and transparency on the creation of value over the short, medium and long term. The research is organized as follows: part one introduces the OAG engagement and integrated reporting, part two considers the evolution of corporate communication in line with the change in governance aims, part three analyzes the international integrated reporting framework, stressing its innovation and continuity compared to other internationally accepted external reporting guidelines, part four describes some selected cases of first-time application of the framework and finally contains some concluding remarks and identifies future research direction based on the possible development of integrated reporting.

Objectives

1. It is to emphasize that companies in Thailand apply the IIRC (International Integrated Reporting Council) framework into their integrated report.
2. It is to examine the OAG responsiveness for the companies' used the integrated report.
3. It is to investigate of the adoption of the IIRC framework into the integrated report for companies in Thailand.
4. It is to promote a rethink of corporate reporting, through the release of framework, guidelines and standards to improve the contents of information and process of integrated report in Thailand.
5. It is to stress companies' innovation in respect to the capital model.

2. Literature Review

2.1 The OAG and Stakeholder Engagement and Corporate Communication

The transition from the shareholder view to stakeholder view has produced a deep modification of corporate governance purposes.

In the 1990s, the dominant purpose of the large corporations was the creation of economic value for their shareholders as stated, for example, by the Coca-Cola Company in its 1995 annual report as *"We exist for one reason: to maximize share-owner value over time. To accomplish this mission, the Coca-Cola Company and its subsidiaries have developed a comprehensive business strategy focused on four key objectives: (1) increasing volume, (2) expanding share of worldwide beverage sales, (3) maximizing long-term cash flows, and (4) improving economic profit and creating economic value added. We achieve these objectives by investing aggressively in the high-return beverage businesses and by optimizing our cost of capital through appropriate financial policies"* (Coca-Cola, 1996).

Conversely, the Coca-Cola Company itself explained in its annual review for 2012 as *"At the Coca-Cola Company, sustainability is about growing our business as we take positive steps to help enhance people's lives, build strong communities and protect environment we all share. We are committed to using our marketing expertise, the appeal of our brands and our global scale to create value and make a lasting, positive difference. This commitment is not only about philanthropy, it is about creating a more sustainable business"* (Coca-Cola, 2013).

It appears that large companies have changed their orientation of corporate governance, at least formally acknowledging the necessity of integration among economic, social and environmental responsibilities. In the meantime, the companies have improved the ways to implement OAG and stakeholder engagement and to be accountable, and they have developed new methods and tools of governance to increase their whole performance.

To emphasize the role of the stakeholders, a company should map the most significant ones and identify their expectations in line with the concept of triple bottom line which are (1) integration of economic, (2) social, and (3) environmental concerns (Salvioni and Bosetti, 2014); then it should select strategic objectives and prioritize them according to the expectations it wants to satisfy firstly, through a globally responsible conduct. Moreover, the company should apply the best mechanisms of governance to spread the culture of corporate responsibility all over the organization and business. Finally, the company should introduce a plan of internal and external integrated communication towards all the stakeholders, in order to meeting their information needs.

Recognizing the importance of sustainability and OAG engagement determines an evolution of corporate disclosure founded on the choice of the most adequate contents and means of dissemination to satisfy the information and evaluation needs of the stakeholders. In this regard, the companies have enriched their communication over the years to improve transparency on corporate governance. To complete the traditional financial reporting, an increasing number of firms have published different types of documents such as a corporate governance statement, a remuneration report, a social report, an environmental report, a sustainability report, and an intellectual capital report. Furthermore, the information divulged by the firms has become more and more detailed, and sometimes even abounding and overlapping (Salvioni and Bosetti, 2014).

The extension of information to improve transparency has been accompanied by new methods for content dissemination, which facilitate both the access to information and the timeliness. The advancement of information and communication technology (ICT) has improved the effectiveness of corporate communication, reducing costs and time of information preparation and dissemination; moreover, ICT has knocked down space barriers, accelerating the fulfillment of information symmetry and international uniformity (Salvioni and Bosetti, 2014).

Participating to a more efficient, environment-oriented and competitive economy involves huge modifications in the complexity of the relationship between a company and its significant stakeholders. Besides, company requires two-way communication such as from the former to the latter and vice versa. The improvements in communication also permit the stakeholders to carry out more reasonable comparisons among firms.

Today, successful firms are expected to adopt, maintain and strengthen corporate governance systems in accordance with the commonly accepted international best practices. The systems are necessarily based on transparent and complete information, prepared and disseminated respecting the frameworks acknowledged all over the world.

To face the insistent demand for transparency, many organizations have been established with the purpose of providing the operators with reporting frameworks that emphasize the principles of sustainable development and global responsibility, in order to facilitating a positive and equitable interaction between the companies and their stakeholders. The framework released by the international integrated reporting council (IIRC) in 2013 is one of the most interesting proposals in this sense. This framework recommends the publication of an integrated report, primarily intended to inform the investors about how a firm has accomplished its responsibilities and how it has performed, in order to raising consents and resources (Eccles and Krzus, 2010). This evidently involves the necessity for each company to choose and compose the report's contents in the most proper way to meet the expectations, concerns and understanding capability of its stakeholders.

2.2 The IIRC Framework between Innovation and Continuity

Since 2010 the interest in integrated reporting (IR) has considerably increased. This is due in part to the activity of the IIRC, a world association that encourages studying, experiment and divulging the integrated report. The IIRC cooperates have adhered a concise communication about how an organization's strategy, governance, performance and prospects, in the context of its external environment, lead to the creation of value over the short, medium and long term (Salvioni and Bosetti, 2014).

The use of framework is normally voluntary, even if its adoption has already been recommended in some financial markets. It is the case of South Africa, where listed companies are expected to produce integrated reports according to 2009 King Code of Governance for South of Africa, also known as King III. On March 12, 2014 the Integrated Reporting Committee of South Africa, which includes the Johannesburg Stock Exchange as one of its most influential members, officially endorsed the IIRC framework, which it described as the best tool for approaching integrated reporting.

The framework essentially contains guidelines for profit organizations of any size that intend to publish an integrated report to boost transparency towards providers of financial capital, such as equity and debt holders, including all lenders, creditors and fund managers, both existing and potential. However, the IIRC does not exclude the possibility that the framework is applied, adapted if necessary, by public and non-profit organizations. In the same way, the IIRC acknowledges the informative value integrated reporting for many other stakeholders: employees, customers, suppliers, commercial partners, local communities, regulators, and public authorities.

Indeed, integrated reporting should permit all providers of resources to understand both the significant internal processes and the main external relationships of the company. In particular, it should demonstrate how the interaction among financial, manufactured, social, human, intellectual, and environmental factors operates for the creation of value over time.

Integrated reporting requires organizing and linking different pieces of information each other, according to the connectivity principle, which is a framework's peculiarity. The companies are expected to give a clear representation of the interaction among different resources for the production of benefits for both their shareholders and all other stakeholders. The companies do not need to prepare an additional, stand-alone document: and enrichment of the traditional annual report or sustainability report could be enough. For example, the companies could introduce a specific section to provide details about how they employ the resources in various processes to create value, in other words what they do to obtain the desired economic, social and environmental performance (Salvioni and Bosetti, 2014).

Another innovation proposed by the framework is a comprehensive view of capitals, such as stocks of resources that permit a company to work and are transformed into outputs and outcomes, causing a continuous flow of value. Consequently, an integrated report should provide explanations of how and to what extent different types of capitals, as inputs of the business model, produce results in line with the stakeholders' needs over the short, medium and long term. According to the IIRC, results consist of an increase, a decrease, or a transformation of the capitals.

Specially, the framework identifies the following types of capitals each organization can adapt to best match its own characteristics:

- financial capital, including the money provided by investors or original through investments,

- manufactured capital, referring to tangible assets belonging to the company (such as buildings and equipment) and infrastructure,

- intellectual capital, comprising the intellectual property of patents, copyrights, software, etc., and the organizational capital based on knowledge and internal procedures,

-human capital, composed of the employees' competencies, capabilities, experience, motivation, loyalty, and spirit of innovation,

-social and relationship capital, consisting in the contribution of the company to enhancing the society's well-being, the sharing of values and rules, the company's brand and reputation, and its social legitimacy to work,

-natural capital, representing the environment such as natural resources, biodiversity and eco-system health.

For the capital information, the organization should apply some guiding principles, which are recommended by the framework and reflect the recent evolution of the international reporting standards and guidelines.

Table 1: The IIRC Framework's Guiding Principles

Strategic focus and future orientation	The company should describe its strategy specifying how it relates to internal and external opportunities, risks, and dependencies that can influence the ability to create value over time and effect on the capitals.
Connectivity of information	The company should link different types of information to give a picture of the interrelations existing among resources, activities, and results. Connectivity should be applied to quantitative and qualitative information, economic, social and environmental aspects, and the past, present, and future. Cross-reference and links to separate documents or websites improves the connectivity of information.
Stakeholder relationships	The company should disseminate about the nature and the quality of its relationships with the main stakeholders it depends on to raise consent and capitals. The company should also describe the processes carried out to understand and satisfy stakeholders' expectations.
Materiality	The company should focus on the factors that influence the creation of value over time significantly. The company should also describe the procedures adopted to identify and prioritize the material issues and to select the relevant information.
Conciseness	The company should prepare a concise report using clear and plain language. The report should cover all the material issues. Also, the report should contain cross-reference to other documents.
Reliability and completeness	The company should releases a complete, reliable and impartial report, which should contain details concerning internal control on integrated reporting and external, independent assurance.
Consistency and comparability	The company should guarantee consistency and comparability of its disclosure. For example, consistency in the selection of key performance indicators facilitates the comparison of reports over time, while the general respect of the framework permits to compare a company with others.

(Salvioni and Bosetti, 2014, p.81).

The IIRC has identified the most important content elements of an integrated report: most of them refer to the organization and its external environment, the activities it has carried out and the results it has achieved, while other recommended information concerns the procedures to appear the integrated report itself.

Table 2: The IIRC Framework's Content Elements

Organizational overview and external	-Corporate culture and values, ownership, operating
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environment	structure, market position. -Legal, political, macroeconomic, commercial, social, demographic, environmental and technological factors affecting the company.
Governance	Leadership, board composition and diversity, decision-making, ethical influence on the use of capitals, remuneration and incentives linked to the use of capitals.
Business model	Description of how inputs are transformed into outputs and outcomes by means of the company's activity, and dependencies on key stakeholders.
Risks and opportunities	Identification of the events affecting value creation over time; consequent risk assessment and risk response.
Strategy and resource allocation	Strategic analysis of the environment, also considering the results of stakeholder consultation.
Performance	Comparison between objectives and results by means of a combined use of qualitative explanation and quantitative measures as a key performance indicator.
Outlook	Future challenges and uncertainties, and possible effects on strategy development and performance.
Basis of preparation and presentation	Materiality determination process; reporting boundary; summary of significant framework and methods applied to evaluate material matters.

(Salvioni and Bosetti, 2014, p.81-82).

The multidimensional concerns the report should according to the triple bottom line, in order to providing all economic, social and environmental information that supports stakeholders/evaluations. Moreover, the report exists in relation to some suggested principles for an effective development of integrated reporting. The international best practice recommends that company adopt mechanisms of OAG engagement, in particular by involving their stakeholders in consultations for optimizing strategic decision-making. Company's directors could better understand the internal and external expectations that should guide the selection of corporate variables to be monitored and disclosed, given their ability to affect the creation of value.

Thus the hypotheses are proposed as:

The organizational overview and external environment factor (H₁), governance factor (H₂), business model factor (H₃), risks and opportunities factor (H₄), and strategy and resource allocation factor (H₅) positively influence to the performance and outlook, basis of preparation and presentation as integrated reporting evidence from the adoption of the IIRC framework.

3. Methodology

In the light of innovation and continuity of the IIRC framework compared to the other international reporting standards and guidelines adopted worldwide, the research aims at analyzing the state of the art of integrated reporting. Given the very recent issue of the framework, this research presents and discusses some cases of the companies followed the IRC framework.

This research was conducted in two phases. The first phase involved secondary research such as reviewing of relevant literatures, journals, publications, books, official reports, working papers, and related information. The second phase, the primary research involved collection of primary data via survey research structured questionnaires. The populations of this research came from the delegates, who attended the International Symposium on National Integrity System hosted by Office of the Auditor General (OAG) of Thailand in Chiang Mai, Thailand, on 18-19 February, 2016. A total number of 64 delegates (Governing Board and Audit Committee

member SAIs, observers, and other invited organizations including CCAF-FCVI Inc., and UN Women) participated in the meeting and discussed key agendas for the ASOSAI. The survey was considered the most suitable research design to obtain empirical evidence on the OAG Engagement and Integrated Reporting Evidence from the Adoption of the IIRC Framework.

The key respondents are from delegates /committees/ auditors/ directors/ OAG officers in the International Symposium on National Integrity System hosted by Office of the Auditor General (OAG) of Thailand during 18-19 February, 2016. The interview was also conducted. The questionnaire was revised based on comments. Questionnaires were tried to collect all attendants but only 42 delegates are completed by random. According to Aaker, Kumar, and Day (2001), an acceptable response rate for a mailed survey and appropriate follow up procedure is considered 20%. The acceptable average response rate for questionnaire survey research is 20% (Aaker, Kumar, and Day, 2001). The number of received questionnaires was 42 out of 64 which response rate of 65.63%. Thus this sample size is acceptable and adequate for a study.

4. Research Results

From the frequency and simple correlation analysis, this is to determine the importance level of various factors affecting the OAG engagement and integrated reporting (IR) evidence from the adoption of the IIRC framework and the significance of the relationship. There are 15 independent variables and grouped into five groups as named as O (Organizational overview and external environment), G (Governance), B (Business model), R (Risks and opportunities), and S (Strategy and resource allocation). The correlation matrix shows that the PL (Performance and outlook, basis of preparation and presentation -- dependent variable) have positive correlation to all independent variables at the 1% level of significant.

Table 3: Descriptive Statistics and Correlations Matrix

	Mean	S.D.	PL	O	G	B	R	S
PL	4.11	.438	1					
O	4.10	.379	.452** (.003)	1				
G	4.07	.518	.564** (.000)	.617** (.000)	1			
B	4.04	.449	.659** (.000)	.581** (.000)	.406** (.008)	1		
R	3.97	.574	.558** (.000)	.576** (.000)	.455** (.003)	.793** (.000)	1	
S	4.01	.468	.616** (.000)	.560** (.000)	.622** (.000)	.759** (.000)	.626** (.000)	1

** Correlation is significant at the 0.01 level (2-tailed)

Questionnaire is divided into two parts. Part one is required respondents to rate the factors on the Likertscale of 1 to 5. There are five factors identified for the research including Organizational overview and external environment factor, Governance factor, Business model factor, Risks and opportunities factor, and Strategy and resource allocation factor. Part two of the questionnaire basically about the general information of the respondents.

The results found that the Organizational overview and external environment factor (O) was rated as the most important factor on average with the mean score of 4.10. Following the Governance factor (G), Business model factor (B), Strategy and resource allocation factor (S), and Risks and opportunities (R) have average the mean score of the important level at 4.07, 4.04, 4.01, and 3.97, respectively.

The correlation matrix shows that the performance and outlook, basis of preparation and presentation has a positive correlation with O (.452), G (.564), B (.659), R (.558), and S (.616) indicating that as O, G, B, R, and S improve the performance and outlook, basis of preparation and presentation will also increase. O (Organizational overview and external environment factor) indicating that such as the corporate culture and values, ownership, operating structure, and market position relates to IR; legal, political, macroeconomic, commercial, social, demographic, environmental factors reflect the recent evolution of IR; and technological factor is affecting to the IR increases, the performance and outlook, basis of preparation and presentation will increase. Similarly, the positive correlation between performance and outlook, basis of preparation and presentation and governance factor (G) indicate that as the leadership, board composition and diversity, decision-making, ethical influence on the use of capitals; the IR should be prepared a concise report using clear and plain language. The report should cover all the material issues. Also, the report should contain cross-reference to other documents; and The IR should describe the processes carried out to understand and satisfy OAG expectations concerned to the same direction with the performance and outlook, basis of preparation and presentation. The strongest relationship between performance and outlook, basis of preparation and presentation and independent variables is the business model factor (B) which are the description of how inputs are transformed into outputs and outcomes by means of the auditee's activity; the report should depend on key of OAG; and the IR should also describe the procedures adopted to identify and prioritize the material issues and to select the relevant information indicate the most concerns of performance and outlook, basis of preparation and presentation.

The risks and opportunities factor (R) indicates that as the Identification of the events are affecting value creation over time; the IR can consequent risk assessment and risk response; and the report should releases a complete, reliable and impartial report, which should contain details concerning internal control on integrated reporting and external, independent assurance become the least important factor among independent variables. The strategy and resource allocation factor (S) indicates that such as the strategic analysis of the environment, also considering the results of OAG consultation; the IR should focus on the factors that influence the creation of value over time significantly; and the IR should describe the procedures adopted to identify and prioritize the material issues and to select the relevant resources increase, the performance and outlook, basis of preparation and presentation will also increase.

Table 4: Summarized Result of the Rotated Factor Analysis

No.	Factor Name and Items	Mean	S.D.	Factor Loadings	Eigenvalues
1	Organizational overview and external factor	4.103	.379		1.711
	Corporate culture and values, ownership, operating structure, and market position relates to IR.	4.119	.550	.698	
	Legal, political, macroeconomic, commercial, social, demographic, environmental factors reflect the recent evolution of IR.	4.167	.490	.536	
	Technological factor is affecting to the IR.	4.024	.468	.520	
2	Governance factor	4.065	.518		2.294
	Leadership, board composition and diversity, decision-making, ethical influence on the use of capitals.	4.195	.601	.830	

	The IR should be prepared a concise report using clear and plain language. The report should cover all the material issues. Also, the report should contain cross-reference to other documents.	4.048	.623	.716	
	The IR should describe the processes carried out to understand and satisfy OAG expectations.	3.952	.539	.750	
3	Business model factor	4.040	.449		2.192
	Description of how inputs are transformed into outputs and outcomes by means of the auditee's activity.	4.071	.513	.862	
	The report should depend on key of OAG.	4.095	.576	.724	
	The IR should also describe the procedures adopted to identify and prioritize the material issues and to select the relevant information.	3.952	.492	.772	
4	Risks and opportunities factor	3.968	.574		2.198
	Identification of the events are affecting value creation over time.	3.929	.677	.646	
	The IR can consequent risk assessment and risk response.	3.929	.640	.801	
	The report should releases a complete, reliable and impartial report, which should contain details concerning internal control on integrated reporting and external, independent assurance.	4.048	.397	.571	
5	Strategy and resource allocation factor	4.008	.468		1.977
	Strategic analysis of the environment, also considering the results of OAG consultation.	3.929	.640	.610	
	The IR should focus on the factors that influence the creation of value over time significantly.	4.071	.558	.881	
	The IR should describe the procedures adopted to identify and prioritize the material issues and to select the relevant resources.	4.024	.563	.716	
6	Performance and Outlook, Basis of preparation and presentation factor	4.111	.438		3.477
	Comparison between objectives and results by means of a combined use of qualitative explanation and quantitative measures as a key performance indicator.	4.143	.608	.846	
	The IR should guarantee consistency and comparability of its disclosure.	4.071	.640	.583	
	The consistency in the selection of key performance indicators facilitates the comparison of reports over time, while the general respect of the framework permits to compare an auditee with others.	4.167	.621	.779	
	Future challenges and uncertainties, and possible effects on strategy development and performance.	4.024	.517	.826	

Materiality determination process; reporting boundary; summary of significant framework and methods applied to evaluate material matters.	4.048	.492	.656	
Nice, neat, clean and clear.	4.214	.565	.756	

As there were many variables, the factor analysis was employed to reduce the variables to a smaller number of facilitate data interpretation and maximize explanation of the whole variable set. The factor analysis results showed that the variables could be grouped in 6 components which provided more even distribution of variables making interpretation simply. The summarized important information contained in all 21 variables under 6 components. The 5 components (only independent variables) of which the highest to the least of Eigenvalues are governance factor (G), risks and opportunities factor (R), business model factor (B), strategy and resource allocation factor (S), and organizational overview and external environment factor (O), respectively.

The multi linear regression analysis was employed to analyze 5 independent variables with the dependent variable after the factor analysis. The regression showed the estimated results of the determinants of the performance and outlook, basis of preparation and presentation for the adoption of the IIRC framework. The adjusted R² shows 48.20%. The Durbin-Watson test shows no presence of autocorrelation at the score of 1.790. The F-test failed to accept the null hypothesis that the estimated parameters are equal to zero. There are only 2 factors (6 variables) are positive and significant at the 5% level of significance. The governance factor (G) and business model factor (B) are significant and positively affected to the performance and outlook, basis of preparation and presentation.

The results also show that business model factor (B) is the most significant affect to the performance and outlook, basis of preparation and presentation for the adoption of IIRC framework. Holding other factors constant, a 1% increase in business model factor will increase the performance and outlook, basis of preparation and presentation for the adoption of IIRC framework by 0.53%. The governance factor (G) is also positive and statistically significant at the 5% level of significance. Holding other factors constant, a 1% increase in governance factor will increase the performance and outlook, basis of preparation and presentation for the adoption of IIRC framework by 0.34%. This suggests that the performance and outlook, basis of preparation and presentation for the adoption of IIRC framework depend on the honesty, cleared message and procedure, ethics, and relevant information. This evidence supports Hypotheses 2 and 3.

Table 5: The OAG Engagement and Integrated Reporting (IR) Evidence from the Adoption of the IIRC Framework

Independent Variables	Coefficients
Constant	1.085*
Organizational overview and external (O)	-.163
Governance (G)	.344*
Business model (B)	.529*
Risks and opportunities (R)	-.007
Strategy and resource allocation (S)	.046
No. of respondents	42
R ²	.546
R ² Adjusted	.482
F-Statistic	8.435
Durbin-Watson	1.790

* represents statistical significance at 5% level

The governance factor is positive and statistically significant at the 5% level of significance. The great of leadership, board composition and diversity, decision-making, ethical

influence on the use of capitals, the performance and outlook, basis of preparation and presentation for the adoption of IIRC framework will be positively associated of better. Hypothesis 2 (H₂) is thus supported.

The business model factor proves that the report should follow the key of OAG. It is important to describe the procedures clearly by adopted to identify and prioritize the material issues and to select the relevant information. The description of how inputs are transformed into outputs and outcomes by means of the auditee's activity also important. Thus, the Hypothesis 3 (H₃) is supported.

5. Conclusion

The OAG engagement and integrated reporting evidence from the adoption of the IIRC framework highly regarded for governance and business model factors for any report take place. Therefore, it is must to improve the quality of integrated report and trustworthy. The leader with high ethics of using the organization's capitals with the report clarity should further develop or upgrade the integrated reports on top priority basis. Besides the accuracy for inputs transformation of auditee's activities following the OAG rules would improves the reliability of the integrated reports.

To improve the research hypotheses and results, the suggestion for further researches should provide insight regarding the factors that are considered important for the integrated report. Based on the results of this research, further research could be undertaken in understanding the factors in-depth and propose appropriate measures. The connectivity of information, stakeholder relationships, materiality, conciseness, reliability and completeness, and consistency and comparability should be discussed. The different statistical method such as cluster analysis or different technique such as Lisrel will be employed to analyze data which was not apply to this research. It would also be useful to investigate the OAG engagement and integrating reporting from the adoption of the IIRC framework. Considering various report frameworks would help stakeholders, auditors, and auditees to understand the nature of the organization better, as they would be able to measure the level of resources and apply to the better instrument for decision making. Finally, the result would then be much more useful and satisfying.

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