The Impact of the Quality of Integrated Reporting on the Firm Value: An Empirical Study

Hatem A. Al-Shaarawy, PhD

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Abstract:

The main objective of the study is to evaluate the impact of the quality of the integrated reporting on the firm value. To achieve the study objective, an empirical study was conducted on a purposed sample of companies listed on the Egyptian Stock Exchange within the ESG S&P/EGX sustainability and social responsibility index during the period from 2013 to 2017. The findings of the study indicated that the companies under study comply with the requirements of the global framework for integrated reporting at preparing their annual reports at an average level. Furthermore, there is a significant positive correlation between the quality of integrated reporting and the firm value. Moreover, there is a significant impact of the quality of the integrated reporting on the firm value in the companies under study.

Keywords: Integrated reporting, Quality of integrated reporting, Firm Value

ملخص البحث:

استهدفت هذه الدراسة تقييم أثر جودة التقارير المتكاملة على قيمة المنشأة. ولتحقيق أهداف الدراسة وإختبار فروضها تم إجراء الدراسة التطبيقية على عينة عمدية من الشركات المدرجة في البورصة المصرية ضمن مؤشر الإستدامة والمسئولية الإجتماعية **S&P/EGX ESG** خلال الفترة من ٢٠١٣ إلى ٢٠١٧. وأشارت أهم نتائج الدراسة إلي أن شركات عينة الدراسة تمتثل لمتطلبات الإطار العالمي للتقارير المتكاملة عند إعداد تقاريرها السنوية ولكن بنسبة متوسطة. كما أشارت نتائج الدراسة إلي وجود علاقة ارتباط ايجابى ومعنوي بين جودة التقارير المتكاملة وقيمة المنشأة ، بالإضافة إلي وجود تأثير معنوي لجودة التقارير المتكاملة على قيمة المنشأة بالشركات محل الدارسة.

الكلمات المفتاحية: التقارير المتكاملة، جودة التقارير المتكاملة، قيمة المنشأة.

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1. Introduction:

After the global financial crisis, many have lost trust in the capitalism model and started to misbelieve the value of current reporting models for companies. The main challenge for professional bodies and business leaders has become to rebuild confidence in business. As a result, international efforts have multiplied to analyze the causes of the crisis and weaknesses in capital markets and governance frameworks, and searching for ways to prevent its recurrence, the post-crisis analysis has resulted in (IIRC, 2014 & 2015) existence of evidence indicating that the current reports of companies in their traditional form do not clarify the important external factors that constitute the context in which the organization operates (including economic conditions, technological change, social issues, and environmental challenges). Therefore, they do not meet the expectations of all stakeholders; rebuilding trust in business, as it is a critical element to ensure business sustainability and based on stakeholder expectations, business enterprises must recognize that they have a broader goal that extends beyond achieving the financial success of shareholders. In addition, executives must ensure that their organizations serve the interests of all major stakeholders (including investors, employees, suppliers, customers, creditors, and society), and to achieve long-term economic stability, businesses must shift from focusing on short-term business practices (that focus on creating net shareholder value and that have dominated the business world) for a long-term focusing on practices that create value on a broader scale for all stakeholders and society in general.

As a result of the above, international trends have increased towards encouraging practices that enhance disclosure and reporting on business in an integrated manner, considering that integrated reporting will clarify the process of value creation over time, and provide a common language that enables professional bodies, business leaders and stakeholders to participate effectively in implementing investment strategies and shifting to sustainable capital markets, Hence, achieving economic stability and sustainable development (IIRC, 2016).

On the other hand, the collapse of companies and the subsequent financial crises at the global level led to the question about the appropriateness and reliability of the current reporting models in their traditional form with a short-term financial perspective. These reports do not reflect the organization's ability to create and maintain value in the short, medium, and long term, while financial reports are characterized by isolated historical thinking, narrow and complex disclosures, and a short-term time frame. Integrated reporting are characterized by greater transparency, integrated and connected thinking, and substantial financial and non-financial information related to the past, present and future, in addition to covering a short, medium and long-term (KPMG, 2011).

In recent years, corporate reports have grown to cover financial issues, sustainability issues and other issues (such as bonus reports, strategic reports and corporate governance reports). However these reports are blamed for being lengthy reports and include many details that may hide some important information (IRC, 2011). In addition, it is unregulated practices; it was not placed in an integrated framework on the one hand and was not linked to risks, opportunities, the company's strategy and business model on the other hand. In addition, the presentation of financial information in isolation from non-financial information makes the process of linking them a difficult problem for the decision maker. This matter has resulted in growing calls for businesses to follow a more integrated approach to the report (De Villiers et al., 2014).

In 2010, the concept of the integrated reporting appeared for the first time after the formation of the International Council for Integrated reporting, and in 2013 the Council prepared and published a conceptual framework for integrated reporting, which includes a set of guidelines and standard disclosures that serve as a guide for companies when preparing an integrated business reporting, and is expected, over time, to become a standard for reporting (IIRC, 2013). This framework has helped accelerate individual initiatives of companies and provide impetus to further innovation in their reporting worldwide, avoiding the risk of information overload (Velte, 2014).

2. Research Problem:

Regarding the impact of the quality of integrated reporting on the firm value, the results of previous studies varied in that, for example, some studies (Lee & Yeo, 2016; Samy, 2019; Vitolla et al., 2020; Moloi & Iredele, 2020; Melegy & Alain, 2020) indicated that there was a positive relationship between the quality of integrated reporting and the firm value, while the study of (Nurkumalasari et al., 2019) concluded that there is no impact of the quality of integrated reporting on the firm value, furthermore, the findings of the study (Dube, 2018), found that there was a negative impact of the quality of integrated reporting on the firm value. The Varity of the studies' findings represents a research gap that needs further research; especially this topic has not received sufficient attention and research in scientific research in Egypt. Therefore, the study problem can be formulated by the following questions:

- To what extent do the companies under study comply with the global framework for integrated reporting when preparing their annual reports?
- Is there a relationship between the quality of the integrated reporting and the firm value in the companies under study?
- Is there an impact of the quality of integrated reporting on the firm value in the companies under study?

3. Study objectives: The objectives of the study are:

- Evaluating the quality of the annual reports disclosed by the companies under study in the light of the conceptual framework of integrated reporting issued by the International Council for integrated reporting.
- Examining the relationship between the quality of integrated reporting and the firm value in the companies under study.
- Evaluating the impact of the quality of integrated reporting on the firm value in the companies under study.

4. Study Importance: The importance of the study is due to the following reasons:

- The scarcity of published accounting studies (within the limits of researcher' knowledge) that study the relationship between the quality of integrated reporting and the firm value, especially in Egypt. Therefore, the study may be a scientific addition to the accounting literature in this regard.
- The study provides companies with the importance of integrated reporting as an entrance to narrow their disclosure gap, enhance transparency and improve their relationship with stakeholders and thus create value for them, especially in light of recent international trends towards encouraging practices that enhance disclosure and reporting on business in an integrated manner.

- The study sheds light on the importance of the effective participation of professional bodies, business leaders and stakeholders in implementing responsible investment strategies and shifting to sustainable capital markets, thus achieving economic stability and sustainable development.
- The study provides practical evidence on the impact of the quality of integrated reporting on the firm value.

5. Study Outline:

To achieve the objectives of the research, it has been divided into the following main sections; section 6 provides the theoretical framework of the study, section 7 reviews the literature related to the study and develops the study hypotheses, section 8 provides methodology of the applied study and analysis of its results, section 9 provides conclusion, recommendations, and points to future studies.

6. Theoretical framework of the study:

6.1 The concept and nature of integrated reporting

In light of the international trend towards a sustainable economy, many of the leading companies started managing change to make their operations more sustainable. The long-term profitability is positively linked with social fairness and environmental protection; hence, the emphasis began on the importance of linking and integrating strategic information related to sustainability with other financial information, with a focus on the "material subjects" that achieve its objectives, better manage its relationship with stakeholders, influence their assessments and decisions, and reflect significant economic, social and environmental impacts of the organization, and at the same time, are relevant to its value prospects (GRI, 2013).

Integrated reporting is an emerging trend for evolving reporting requirements (Vitolla et al., 2020) which market-driven and regulation, and the logical result of the growth of issues of sustainability and corporate social responsibility (GRI, 2013). In the coming years, it is expected that the basic report for business enterprises will replace existing disclosure requirements. Integrated reporting (IR) are defined as (IIRC, 2013): "A brief message that explains how the organization's strategy, governance, performance and prospects in the context of the external environment contribute to creating value for it, whether in the short, medium or long term''.

Integrated reporting show how the organization creates value across different time horizons, whether it creates this value for the organization itself (such as the financial returns to the providers of financial capital), or created for others (such as stakeholders and society in general). This value is not created by or within the organization alone, but also is affected by the external environment, created through relationships with multiple stakeholders. Furthermore, it depends on the availability of various resources "multiple capitals" and the ability to afford their costs and the quality of these resources. Therefore, the integrated reporting seek to provide a specific vision about (IIRC, 2013):

- Significant external factors affecting the organization (including economic conditions, technological change, societal and environmental issues) and that compose risks and opportunities that create the context in which the organization operates.
- The resources and relationships that an organization uses or influences that form its multiple capitals; and
- How the organization's business model interacts with external factors and resources to create or maintain value over time.

It should be understood that the integrated reporting includes in a coherent and integrated manner most of the elements of the material information currently disclosed in separate reports, including, financial information, operational data, management explanations, sustainability and governance information, and most importantly the connection among them (IRC, 2011; GRI, 2013; IIRC, 2013). Moreover, it explains how this information impacts the organization's ability to create and maintain value over time; it has a common focus on brevity, strategic focus, future orientation, communicating information, and multiple capitals and the relationships among them; emphasizes the importance of integrated thinking within the organization; It interacts with reports and other notifications, through bookmarks for more detailed information presented separately.

6.2 Integrated Reporting Objectives:

Integrated reporting contributes to clear communication of how the organization uses its resources to create value across different time. Thereby, it is a step to improve the quality of information available to the organization's providers of financial capital (IIRC, 2015), the integrated reporting generally aim to provide an integrated representation of the essential key factors in creating current and future value for the organization's capital providers (GRI, 2013), and thus support their assessments regarding the allocation of their capital to available investment alternatives (Lee & Yeo, 2016). In addition, it implicitly contributes to achieving a set of sub-objectives represented in (IIRC, 2013):

- Improving the quality of information available to providers of financial capital to enable them to allocate capital more efficiently and productively.
- Encouraging a more coherent and efficient approach to corporate reporting that relies on different reports and communicates factors that materially impact an organization's ability to create value over time.
- Promote accountability and supervision of a large base of capital (financial, industrial, intellectual, human, social, relational, and natural) and encourage and enhance an understanding of their interconnectedness.
- Support integrated thinking, decision-making and actions focused on creating value in the short, medium, and long term.

6.3 Firm value and how it is measured:

(Momon, et al., 2021) defined Firm value is the sum of the present value of future cash flows generated by the company's current assets plus potential investment projects. The current share value not only reflects current earnings capacity but also reflects expectations of future operating and investment performance. The high value of the firm will make the market believe not only in the firm's current performance but also in the firm's prospects.

The firm value has been measured through Tobin's Q equation which is one of the most widely spread measures for determining the firm value. It is known as the market value of the firm divided by the book value of assets or the book value or the owners' equity. Use Tobin's Q to find out the financial performance by looking at the potency of the stock price, the manager's capability in operating the company's asset and investment growth (Kim, et al., 2015; Harnida, et al., 2021).

(Novianti & Kuswanto, 2020) stated that several criteria must be considered when using Tobin's Q model as follows.

- Production function and adjustment costs.
- Strong competition in products and markets.
- Capital markets are in the form of strong efficiency so that no single company can influence the market. Firms with high Tobin's Q value usually have a strong brand image, have attractive investment chances, and have a competitive advantage. Companies with low Tobin's Q values are generally in very competitive industries or industries that are beginning to shrink.

The approximation of Tobin's Q which is measured as follows (Khanifah, et al., 2020): Tobin's Q = MVE + Debt / TA, where:

- MVE = stock price × number of shares outstanding
- Debt = total debt book value (short-term debt + long-term debt)
- Total Asset = book value of total assets

(Hakim & Sugianto, 2018) stated that Tobin's Q is one of the alternatives used in determining corporate value, Where: If the Q-ratio is higher than one, this indicates that investing in an asset produces a profit that gives a higher value than the investment expenditure; this will motivate new investment because the investor values the company high and performs well and is able to generate more cash flow in the future. However, if the Q-ratio is less than one, the investment in the asset is rated low by the market, due to investors are unwilling to invest in the company.

6.4 The impact of integrated reporting on the firm value:

Recently, the traditional view of the real motive behind companies' practice of environmental, social, economic and governance issues, and the disclosure and reporting on them in an integrated manner has changed. The motive for its practice is no longer a necessity for companies' commitment to the requirements of social responsibility and their participation in bearing the public burdens and the sustainable development of society as a whole. Moreover, the governmental, societal and ethical pressures, and companies' management of their relationship with stakeholders are no longer a motive for disclosure and reporting, but rather it is seen that the practice, disclosure and sustainable report are an entrance to create the firm value, improve its ability to survive, and enhance its competitive position.

Although there is a great debate in accounting literature so far about the nature of the relationship between disclosure and reporting on the integrated performance of companies and the creation of economic value for them. The great majority of accounting research results and international experiences confirmed the existence of a positive relationship between them. Practicing business in accordance with ethical standards, disclosing performance in an integrated manner and responding to the requirements of stakeholders, governments and stock exchanges will enhance the company's reputation and its brand towards the society. It increases the confidence of stakeholders and gains the satisfaction and loyalty of employees, customers and suppliers. In addition to many other indirect benefits that ultimately lead to maximizing the value of shareholders' equity, either through cost savings or an increase in sales.

7. Literature review and hypotheses development:

This part of the research aims to present the most recent literature related to the variables of the research idea, and it has been divided into two groups. The first group deals with studies that evaluated the quality of the integrated reporting published for companies. The second group clarifies the studies that dealt with evaluating the impact of the quality of integrated reporting on the firm value.

7.1 The quality of the integrated reporting:

Several studies have addressed the issue of evaluating the quality of integrated reporting of companies in a number of countries in the light of different points of view, for example (Hindley, 2012; Tudor-Tiron, & Dragu, 2014; Vorster & Marais, 2014; Stent & Dowler, 2015).

The study of (Hindley, 2012) aimed to assess the quality of integrated business reporting disclosed by mining sector companies in South Africa in the light of the accepted global framework for sustainability. The study population consists of 40 most active companies in the JSE stock market, and a sample of 13 companies was selected. The quality of integrated reporting is evaluated in the light of 63 performance indicators (52 main indicators, 11 indicators specific to the sector). The findings of the study indicated that there are 17 indicators out of a total of 63 indicators that all companies have committed to disclose, 4 indicators related to economic performance (direct economic value created and distributed, financial impacts and risks as a result of climate change, policies and percentage of spending on local suppliers, investments and services provided for public benefit), 4 indicators related to environmental performance (direct energy consumption, total (wasteful) water withdrawals, total direct and indirect greenhouse gas emissions, total weight of waste), 5 indicators related to employment (total labor force by type of employment, percentage of employees in light of collective bargaining agreements, rates of occupational injuries, illnesses and deaths, average hours of training per employee, form of governance bodies and employees according to diversity indicators), 2 indicators related to human rights (operations with risk significant child labor, high risk of forced and compulsory labor), 2 indicators related to social performance (the effectiveness of practices that evaluate the effects of operations in societies, participation in setting public policies). A disadvantage of this study is that it evaluated the quality of integrated reporting of companies in light of specific disclosures only (indicators) and did not assess the extent of the companies' commitment to public disclosures and guidelines.

The study of (Tudor-Tiron & Dragu, 2014) attempted to assess the quality of integrated reporting for a sample of 58 companies operating in 17 countries (9 civil codes, 8 common laws). These companies were selected from the IIRC online database, in order to try to answer a research question "Does the legal system of the state affect the content of the integrated reporting disclosed by companies within this country? The study included the reports of these companies from 2010: 2012, and for this purpose, the study did the following: (1) Conducting a content analysis of the integrated reporting disclosed by the research sample companies in the light of a set of guidelines and content elements in accordance with the integrated reporting framework (strategic focus and future direction, information correlation, relationship of stakeholders, materiality, brevity, reliability and comprehensiveness, business model description of critical risks and opportunities, description of the organization's strategic objectives, presentation of the organization's performance in light of its strategic objectives). (2) To find out the impact of the country's legal system on the level of disclosure for each company within the country, the disclosure indicator was measured, where DIIR = ∑ (di effectively disclosed)/ ∑ (di all-possible cases of disclosure). The study concluded that the political factor is one of the important factors that affect the commitment of companies to prepare integrated reporting, as legislation includes (mandatory / optional) requirements regarding disclosure in companies.

The study of (Vorster & Marais, 2014) evaluated the quality of integrated reporting, but from another angle, which is the extent to which Ascom Company responded in its 2012 integrated reporting to the reasonable expectations of stakeholder needs, how to "manage stakeholder needs", where the study compared the reasonable expectations of stakeholders and the content of the reports. The integrated information disclosed by Ascom in 2012, which was determined by analyzing the content of these reports and the study concluded that: (1) Ascom in 2012 did not provide a detailed integrated reporting that includes a reasonable level of stakeholder needs. (2) The study identified 13 groups of stakeholders, while the Ascom report identified only seven groups. (3) To improve transparency and stakeholder management at a reasonable level, it is recommended that integrated reporting in the future disclose all stakeholder needs identified.

The study of (Stent & Dowler, 2015) provides practical evidence to the changes required in the current reports of companies in light of the requirements of the integrated reporting framework. The potential importance of these changes is solving financial and environmental problems and crises by narrowing the gap between the best practices of the current reports and the requirements of the integrated reporting framework. To do so, the researchers evaluated the 2011 annual reports and related online reporting practices of the top four best practices reporting companies in New Zealand, using a reporting checklist prepared in accordance with the requirements of integrated reporting in accordance with IIRC. The study concluded that although the sample was for the top four companies practicing the report in New Zealand, these companies did not publish a standard integrated reporting in 2011. The quality of these reports ranged between 70%: 87%, The study indicated that the current reporting processes lack integration, control, and concern for the future, which are the elements required by integrated reporting. These defects affect the achievement of sustainability and financial stability, and the stated goals of integrated reporting.

7.2 Studies Related to Firm Value:

Abdel-Azim and Abdelmoniem (2015) aimed to explore the effect of risk management and disclosure on the firm value. The study purposed to verify three relations. They are: firstly, the relation among risk management and the firm value, secondly, the relation between corporate voluntary disclosure and systematic risk, and thirdly, the relation among voluntary disclosure and firm value. Data was based on non-financial firms listed at the Egyptian Stock Exchange (EGX) at the end of the year 2012. The findings of the study showed that a positive relationship exists among risk management and the firm value, there is a negative relationship among voluntary disclosure and exposure to market risk, and there is a positive relationship among voluntary disclosure and firm value.

Harjoto and Laksmana (2016) assumed that Corporate Social Responsibility (CSR) acts as a control mechanism to minimize deviations from optimal risk taking. Therefore, CSR works to reduce excessive risk taking and decreases excessive risk avoidance. The study discussed the mechanism by which CSR influences the firm value. The findings of the study indicated that stronger performance of CSR related to smaller deviations than optimal risk-taking levels. The study found a positive indirect impact of CSR on the firm value by the effect of CSR on risk taking. CSR performance is positively correlated with the firm value because CSR reduces excess risk taking and risk avoidance.

Ho, et al., (2016) discussed the relationship between disclosures of information and the firm value under different levels of competition in the product market. The study utilizes a unique information assessment schema that derived from 114 measures through 5 dimensions of information disclosure from 2005 to 2013. The findings of the study indicated that firms that have higher levels of information disclosure are linked to higher industry-adjusted Tobin's Q, while companies facing weak product market competition are performing better. This emphasized that both corporate governance and product market competition alone are significant to the firm value. However, the effects of information assessment on industry-adjusted Tobin's Q rely on the levels of competition in the product market faced by the firms.

Particularly, the positive and significant relationship between information rating and firm value is limited to companies facing strong product market competition. This indicated that both information disclosure and product market competition are efficient in reducing agency troubles and they complement each other in enhancing a firm value.

Saona and San-Martín (2018) aimed to analyze the effect of variables at the company level as well institutional factors at the country level on the firm value in the Latin American region. The sample of the study consisted of public companies from Argentina, Brazil, Chile, Colombia, Mexico, and Peru during the years from 1997 to 2013. The major results of the study showed that the concentration of ownership, capital structure, and dividend policy are important drivers of the company's market value. The findings of determinants at the country-level indicated that legal enforcement and regulatory systems have a positive effect on the firm's market value.

Thamrin, et al., (2018) aimed to identify the factors which impact on the firm value. The sample of the study involved of 45 manufacturing firms listed in the Indonesia Stock Exchange (ISE) that contained financial statements during the years (2012-2016). The results of the study indicated that at the same time the firms' value was affected by investment decisions, financial decisions, and financial performance. The findings of the study found that the decisions of investment and the performance of the company have a positive relation to the firm value, but the decisions of financing have a negative impact on the firm value. In addition, the lateness of the firm value demonstrated the long-term influence on the firm value model.

Silva, et al., (2019) studied experimentally the relationship among enterprise risk management (ERM) and the firm value (measured by the proportion of the Tobin's Q in 649 years of company observations that have been included in the IBrX100 index at the Brazilian stock exchange over the period from 2004 to 2013. The findings of the study indicated that there was positively relationship between the firm value and the utilization of the ERM approach, which was consistent with most international studies.

Margaretha (2020) purposed to determine and test the factors that affect the firm value in plantation companies listed on the Indonesia Stock Exchange and to examine the factors that affect firm value through profitability as an intervening variable. The factors tested in this study are capital structure, liquidity, total asset turnover, inventory turnover, and CSR disclosure. The findings of the study indicated that capital structure, liquidity, total asset turnover, inventory turnover, CSR disclosure and profitability have a significant effect on the firm value. Partially, capital structure and liquidity have a negative and significant effect on firm value, total asset turnover has a positive and significant effect on the firm value, inventory turnover and CSR disclosure has a negative and not significant effect on the firm value. The profitability variable is a significant intervening variable for the total asset's turnover and inventory turnover variables to the firm value as well as it is an insignificant intervening variable in the relationship of capital structure, liquidity, and CSR disclosure to the firm value.

Putri, et al., (2021) aimed to assess the effect of profitability, business risk, and intellectual capital on company value. The results of the study indicated that profitability as measured by Return on Equity (ROE) does not give any influence on the company value, business risk as measured by business risk has positive influence on the firm value, and intellectual capital as measured by value added intellectual capital does not have any influence on the company value.

7.3 The impact of the quality of integrated reporting on the firm value:

There are many studies that have evaluated the impact of the quality of the integrated reporting on the firm value in application to different environments, for example (Lee & Yeo, 2016; Dube, 2018; Nurkumalasari et al., 2019; Samy, 2019; Vitolla et al., 2020; Moloi & Iredele, 2020; Melegy & Alain, 2020).

The study of (Lee & Yeo, 2016) aimed at examining the relationship between integrated reporting and the firm value using a sample of companies listed on the Johannesburg Stock Exchange in South Africa, as well as studying the discrepancy between different sectors with regard to the disclosure of integrated reporting in the period following its mandatory application. The study population was represented in all companies listed on the Johannesburg Stock Exchange, and the sample consisted of 822 observations in four years for the period from 2010 to 2013, this sample covers about 73% of the market value of all listed companies for the year 2013 and includes companies from various sectors (agriculture, mining, chemicals, construction, electricity, electronics, food, information technology, manufacturing, retail and services). The annual reports and integrated reporting of these companies were obtained from the JSE website and the companies' websites, and for the purposes of achieving the objectives of the study, the researchers built a composite indicator to measure the quality of the integrated reporting based on its composition on the eight content elements of the IIRC's global framework, They are (1) organizational overview and external environment; (2) governance; (3) business model; (4) risks and opportunities; (5) strategy and resource allocation; (6) performance; (7) expectations; (8) Principles of preparation and presentation. Each item contains 5 questions that have the same relative weight in the assessment, and each question takes an initial score ranging from zero (non-compliance) to five (full compliance), so the minimum report quality is (0) and the maximum is (200). As for the firm value, it was measured using TOBIN'S Q, which was calculated by the market value of equity in addition to the book value of the total liabilities divided by the book value of the total assets. The study found a positive correlation between the firm value and the quality of the company's disclosures about its integrated reporting. This means that the benefits of integrated reporting on average exceed its costs.

The study of (Dube, 2018) aimed at examining the relationship between integrated reporting and the firm's financial performance in light of the mandatory application of integrated reporting in the Johannesburg Stock Exchange, or in other words, verifying whether there is empirical evidence to support the opinion that investors reward companies that produce high-quality integrated reporting compared to companies that produce low-quality integrated reporting. The study population was represented in all companies included in the "JSE. All Share" indicator from 2012 to 2017. There were 160 companies out of a total of 400 companies listed on the JSE, and these companies represented about 99% of the total market capitalization of all companies listed on the Johannesburg Stock Exchange. A non-probability and purposeful sample were taken from those companies consisting of 40 companies taking into account the full representation of the selected society as they have a high market value. The integrated reporting of these companies were obtained from their websites and the companies that did not provide integrated reporting for the duration of the research study were excluded. While the stock returns information was obtained from the Muller and Ward database and the total stock returns were used as a measure of the company's financial performance. As for the quality of the integrated reporting, the study relied on the content analysis method to assess the extent to which companies comply with the content elements of the global framework for integrated reporting by giving each analyzed integrated reporting a score based on a score card consisting of 23 elements, each element takes a score from zero to three. A score of zero indicates that the content element and its components have not been reported, and a score of three means that the content element and its components have adequately been reported. Therefore the overall achievable score for the quality of the integrated reporting ranged from zero to 69. A score of zero means that the report is not an integrated reporting as defined by the IIRC framework and does not comply with its guidelines. A score of 69 means that the report is fully compatible with the framework and is therefore considered a high-quality integrated report. The study found that: The quality of the initial integrated reporting produced at the start of mandatory reporting was significantly lower than the current reports, where the average quality of integrated reporting for the sample companies improved from 28 in 2012 to 48 in 2017. Moreover, there are differences in the quality degrees of the integrated reporting produced by the sample companies during the research period. Furthermore, there is no correlation between the quality of integrated reporting and the company's financial performance. Interestingly, the portfolio created using the lowest integrated reporting scores exceeds all other portfolios, achieving a compound annual growth rate of 23.2%, while the portfolio created with the highest scores integrated reporting compound annual growth rate of 22.2%. Accordingly, the results indicated that producing a high-quality integrated reporting, as measured by the degree of compliance with the framework is not assessed by investors more than low-quality integrated reporting. Hence, it is advised not to use integrated reporting as an investment method.

The study of (Nurkumalasari et al., 2019) showed the impact of the quality of integrated reporting on the firm value , by choosing it to a purposeful sample of non-financial public companies in the Asian region, which published integrated reporting in the period from 2015: 2017, and the research sample was represented in 14 companies in various industries such as agriculture, mining, chemistry, construction, electricity and electronics, food, information technology, manufacturing, retail, and services, and therefore the number of observations during the study period was 42 observations. The annual reports of these companies were obtained from the GRI database or from the website of each company. The study measured the firm value by using the TOBIN'S Q scale, which means that the higher the value of Tobin's Q, the more this indicates that the company has investment opportunities and better growth potential. While the quality of integrated reporting were measured based on an indicator consisting of eight content elements identified by the International Council for Integrated Reporting, in light of which the presence or absence of each element is analyzed, giving a score of one if the company disclosed the element and zero otherwise. Accordingly, the value of the quality of the integrated reporting for the company is represented in the percentage of disclosure of the elements of the integrated reporting to the maximum degree that can be disclosed. The study findings indicated that the preparation of integrated reporting does not affect the firm value in non-financial public companies in the Asian region, which means that integrated reporting are not a signal that investors and analysts need as a basis for making investment decisions, and Asian stakeholders still cannot receive and use the integrated reporting properly.

The study (Samy, 2019) clarified the main challenges, opportunities, strengths and weaknesses faced by the companies listed in the EGX30 index in the Egyptian stock market when adopting the implementation of the concept of integrated reporting, in addition to determining the nature of the relationship between the level of compliance and integrated reporting and the firm's performance and value, during the period From 2012 to 2017, the researcher used profitability and the level of financial leverage to measure the performance of the company, while the firm value was measured using the capitalized market value. As for measuring the extent of commitment to integrated reporting, an indicator was used based on the framework issued by the International Council for Integrated Reporting. The findings of the study supported the positive relationship between the level of compliance with integrated reporting and the company's performance, value, and level of financial leverage. Where the results of the regression analysis showed the power of the integrated reporting indicator in explaining the change in the return on shareholders' equity, financial leverage and the market value of companies, and the relative contribution values are (the coefficient of determination) reached 44%, 59% and 34%, respectively. This means that the improvement in the level of compliance with integrated reporting leads to an increase in the company's profitability, maximizing its value and increasing its ability to obtain low-cost debt.

The study of (Vitolla et al., 2020) verified the impact of the quality of integrated reporting on the cost of capital. They use a sample of 116 international companies that use integrated reporting for the year 2016. These reports were obtained from the website of the International Integrated Reporting Council IIRC. The study measured the cost of capital using the earnings per share (EPS) model, considering that the increase in this indicator indicates a decrease in the cost of capital. As for the quality of the integrated reporting, it was measured using a scoreboard model derived from the features of quality assessment according to (Hammond & Miles, 2004) and principles (IIRC, 2013). Based on this, the quality of integrated reporting is evaluated in light of four main elements (background, content, form, assurance and reliability). The findings of the study showed that the quality of integrated reporting has a negative correlation with the cost of capital, meaning that publishing high quality integrated reporting leads to a lower cost of capital. The effect of the quality of integrated reporting on the cost of capital is likely to be indirect and related to its ability to reduce information asymmetry and attract new investors in the long term. Where researchers believe that the quality of integrated reporting are matched by greater transparency, therefore leading to a reduction in information asymmetry and allowing for more accurate forecasts capable of ensuring positive returns for investors in the long term, reflecting a lower cost of capital. Moreover, investors' access to complete information allows for a better understanding of complex business dynamics and thus ensures more accurate decision-making processes, which also results in lowering the cost of capital.

The study of (Moloi & Iredele, 2020) aimed to verify the existence of a correlation between the quality of the integrated reporting produced by companies and their market value. Specifically, to measure the extent of the difference in the firm value among companies with high quality of their integrated reporting and those of low quality, thus looking at the importance of high-quality integrated reporting for capital providers and the economic benefits associated with them. The study population is represented in the 100 largest companies listed on the Johannesburg Stock Exchange (JSE) in South Africa based on their market value on December 31, 2017; a sample of 20 companies was taken within the study period from 2013 to 2017. The researchers measured the IRQ based on the annual Ernst and Young Excellence rating, which is a classification based on the evaluation of companies in light of their compliance with the requirements of the IIRC's International Framework for Integrated Reporting. The study considered the companies that were classified in the categories of "excellent" and "good" for their integrated reporting from the beginning of 2011 to 2017 as companies with high quality integrated reporting (referred to as Group 1), whereas the companies ranked in the "medium" and "poor progress" categories are those with low integrated reporting quality (referred to as group 2), and a score is assigned accordingly; excellent - 4; good - 3; average - 2; and weak – 1. The researchers also used Tobin's Q as a measure of the firm value. The study reached the following results: Although the preparation of integrated reporting is mandatory for companies listed on the Johannesburg Stock Exchange, companies still exercise freedom of action regarding what must be disclosed, as the results of the analysis showed a difference in the value of the quality of the integrated reporting issued by the sample companies during the research period. T-test indicates that there is a significant difference in the firm value between the first and second groups, and this indicates that the availability of relevant information in integrated reporting is proportional to and directly related to the confidence of investors in the enterprise and supports capital providers in making more effective decisions to allocate their capital, which completely affects the added value of the firm. This is consistent with agency theory, which calls for high-quality integrated reporting to reduce information asymmetry between managers and capital providers. It was observed that Tobin's Q value for the group with high quality integrated reporting was greater than one (mean 1.0342) and this is evidence of the high market value of this group. Therefore, this study provides an additional incentive for firms to improve the quality of the integrated reporting.

Finally, the study of (Melegy & Alain, 2020) dealt with the impact of the quality of disclosure of integrated business reporting on the predictive ability of accounting information and the firm value in the Egyptian stock market. The study relied on the inductive approach in reviewing the accounting literature related to the quality of disclosure of integrated business reporting in order to enrich the theoretical framework of the study, and the deductive approach to explore the relationship among the quality of disclosure of integrated business reporting, the predictive ability of accounting information and the firm value. The study was applied to companies listed on the Egyptian Stock Exchange in the EGX 30 index during the period from 2015 to 2018, and the study variables were measured as follows: Dependent variables: The study used three different methodologies to measure the predictive ability of accounting information (accounting conservatism, estimated accruals, stock prices). As for the firm value, it was measured using the TOBIN'S Q model. Independent variable: (the quality of disclosure for integrated business reporting) measured based on the analysis of the content of corporate reports in the light of a disclosure indicator consisting of 45 items in 8 equally weighted groups, which includes most of the information that must be disclosed in the integrated reporting according to the framework of the International Integrated Reporting Council (IIRC). The results of the study indicated that: Descriptive statistics revealed a decreasing trend in the quality of disclosure of the integrated business reporting, with an overall average of 40.2%. The study explained that the companies' adoption of the integrated reporting approach in Egypt is still in its initial stages, and this is due to the lack of mandatory standards or appropriate guidelines to regulate the accounting disclosure for them so far. Disclosure of the quality of the integrated business reporting leads to an increase in accounting conservatism and stock prices. Moreover, there was a negative impact on the discretionary accruals, meaning that disclosing the quality of the integrated reporting leads to a decrease in the value of the estimated accruals. Regarding the relationship between the quality of integrated business reporting and the firm value, the result of the regression model shows a positive effect, which ultimately confirms that the disclosure of a high-quality integrated reporting leads to an increase in the firm value.

7.4. Comments and Originality:

There are many ways to evaluate the quality of the integrated business reporting published for companies, while some studies used the content analysis method, for example, the study of (Hindley, 2012), which evaluated the quality of the integrated business reporting for companies in light of their commitment to disclose 63 performance indicators (52 main indicator, 11 sector-specific indicator) According to the accepted global framework for sustainability, as well as the study of (Tudor-Tiron, & Dragu, 2014; Stent &

Dowler, 2015; Lee & Yeo, 2016; Dube, 2018; Nurkumalasari et al., 2019; Samy, 2019; Vitolla et al., 2020; Melegy & Alain, 2020) where they evaluated the quality of integrated reporting in light of the companies' compliance with the guidelines and content elements according to the IIRC's Global Integrated Reporting Framework, And also the study of (Vorster & Marais, 2014) that evaluated the quality of integrated reporting in light of the extent to which Ascom company responded in its reports to the reasonable expectations of stakeholder needs. Moreover, a study of (Moloi & Iredele, 2020) that measured the quality of integrated reporting IRQ based on the annual classification of Ernst and Young Excellence, a classification based on the evaluation of companies in light of their compliance with the requirements of the international framework for integrated reporting issued by IIRC, where the study considered companies that were classified in the categories of "excellent" and "good" for their integrated reporting as having high quality integrated reporting, while the companies that were classified in the categories of "medium" and "poor progress" are considered companies with low integrated reporting quality, a score has been assigned accordingly; excellent - 4; good - 3; average - 2; and weak - 1.

Regarding the impact of the quality of integrated reporting on the firm value, the results of previous studies have varied. For example, the studies of (Lee & Yeo, 2016; Samy, 2019; Vitolla et al., 2020; Moloi & Iredele, 2020; Melegy & Alain, 2020) confirmed the existence of a positive relationship between the quality of integrated reporting and the firm value, while the study of (Nurkumalasari, et al., 2019) concluded that there is no effect of the quality of integrated reporting on firm value, the results of the study (Dube, 2018) proved otherwise, there is a negative impact of the quality of integrated reporting on the firm value.

7.5 Hypotheses development:

No Arabic study has evaluated the quality of integrated reporting, and foreign studies lack integration in the evaluation process, as no study has evaluated integrated reporting in light of the principles and standard disclosures included in the global framework for integrated reporting, and therefore the first hypothesis can be formulated as follows:

H1: "The companies under study do not comply with the global framework for integrated reporting at preparing their annual reports."

With regard to measuring the impact of the quality of integrated reporting on the firm value, this study is the first Arab study to measure this relationship in the Egyptian environment, and despite the presence of many foreign studies in this regard, their results are varied. Some of these studies have found a positive effect, while others have found a negative effect, and there are some other studies have proven that there is no relationship, and the discrepancy in results is a research gap that needs more research, especially in the Egyptian environment, Therefore, the second and third hypotheses can be formulated as follows:

***H2:** "There is no statistically significant relationship between the quality of integrated reporting and the firm value in the companies under study."*

***H3:** "There is no statistically significant effect of the quality of the integrated reporting on the firm value in the companies under study."*

8. Research Methodology:

The methodology of the applied study included: study population and sample, applied study variables and methods of measuring them, method of data collection, statistical methods used in the hypotheses testing.

8-1 Study Population and Sample:

The study population is represented in the companies listed in the Egyptian Stock Exchange within the index of sustainability and social responsibility, as these companies are the best practice for the current report and many of the requirements of the integrated reporting framework, an intentional sample was taken from these companies represented by (8) companies out of a total of (30) companies based on the information and reports that were made available to the researcher, and table no. (1) shows the study sample:

Table (1): Study Sample

No.	The company name
1	Commercial International Bank (CIB)
2	Qatar National Bank Al Ahli (QNP)
3	El Sewedy Electric Company
4	Suez Cement Company
5	Juhayna Food Industries Company
6	Edita Food Industries Co.
7	Talaat Moustafa Holding Group
8	Heliopolis Housing and Development Company

8-2 Study Variables

(A) Firm value (dependent variable): The study relied on measuring the firm value on the Tobin's Q scale developed by James Tobin, and it is considered one of the most common measures in accounting, economic and administrative research, as this scale depends on both accounting and market information. It is concerned with the market assessment of the performance and profitability of companies, Tobin assumed that Tobin's Q scale is equal to the ratio between the market firm value and the cost of replacing its assets, and when this ratio is greater than one, this indicates the improvement of the firm performance and the maximization of its value, and thus investment in this company is adequate, but if this percentage is less than one, then investing in it is not adequate, Tobin's Q ratio is calculated by dividing the firm's market value (the sum of the market value of equity and the book value of liabilities) by the book value of its assets (Lee & Yeo, 2016).

(B) Quality of Integrated Reporting (independent variable): The researcher built a composite indicator to measure the quality of integrated reporting, whose composition depends on a set of guidelines and elements of the report's content according to what was stated in the global framework for integrated reporting, giving each of them equal weights in terms of relative importance. Then, in the light of this indicator, the content of the sustainability and social responsibility report of the study sample companies is analyzed and a score of (2) is assigned if the company applies the principle or discloses the item in its report completely over different time series, and a score of (1) if it discloses the item incompletely, and a score of (zero) otherwise. The following table shows the integrated reporting quality measurement indicator:

Table (2) Integrated Reporting Quality Measurement Indicator

Code	Variables	Reference
X	**Integrated quality reporting**	
	Guidelines	
X11	**Materiality**	**(IFAC & IIRC, 2015)**
	- Brief description of the process used to identify material issues - Discussing the material issues - Comment on the role of those charged with governance in identifying material issues	
X12	**Interrelationship (communication) of information, including communication between:**	**(IIRC, 2013)**
	- Content Elements (Resources, Strategy, Business Model, Risks and Opportunities) - Multiple capitals: (mutual influence and trade-offs between them) - Financial information and non-financial information - Quantitative and qualitative information - Administrative information and information received from abroad - Integrated reporting information and other information published separately by the	

	organization	
X13	**(Relationship/Inclusivity) Stakeholders**	**(IIRC, 2013)**
	- The nature, quality and relationships of the organization with key stakeholders - To what extent are you aware of and responsive to their legitimate needs and interests? - Report content elements	
X14	**An overview of the organization and the external environment**	**(IIRC, 2013)**
	- Information about the organization - Key quantitative information (eg, number of employees, number of countries in which the organization operates), with particular emphasis on significant changes that occurred during previous periods. - Significant external factors and the organization's response to them, including aspects of the legal, business, social, environmental and political context that affect the organization's ability to create value.	
X15	**Risks and opportunities**	
	- The resource that identifies risks and opportunities - The organization's assessment of the likelihood and impact of risks or opportunities - Steps taken to mitigate or manage risks or create value are key opportunities	
X16	**Strategy and resource allocation**	
	- Strategic goals for the short, medium and long term	

	- The strategies you have developed, or intend to implement, to achieve those strategic objectives - Plans to allocate resources to implement its strategy - What makes an organization unique and capable of creating value in the future	
X17	**business model**	
	- What are the capital inputs on which the organization depends? - What is the organization doing to create value for its key stakeholders? - What are the outputs? - What are the results?	
X18	**Governance**	
	- An explanation of the organization's leadership and strategic decision-making processes - How the organization's culture, ethics and values are reflected in its use and effects on capital, including its relationships with key stakeholders - Whether the organization implements governance practices that go beyond legal requirements - The responsibility of those involved in governance to promote and encourage innovation - What actions have those charged with governance taken to influence the organization's strategic direction and approach to risk management? - How to link the remuneration of executives and those charged with governance to performance across time horizons	
X19	**performance and future outlook**	

	- The relationship between past, present and future performance. **- The organization's major economic, environmental and social impacts (both positive and negative) on capital** - The uncertainty associated with the organization (significant factors and any real risks that could materially affect future performance) - The sustainability of the organization's business model (how the organization is progressing over time and its ability to respond to the future) - How does an organization balance short and long-term interests?	

8-3 Data collection method:

The study relied on the data and annual reports published for the study sample companies during the period from 2013 to 2017 to assess the impact of the quality of integrated reporting on the firm value.

8-4 Statistical techniques:

To test the validity of the study's hypotheses, the following statistical techniques were used:

- **Descriptive analysis of the data** (arithmetic mean - standard deviation) to monitor the behavior of the study data.

- **Pearson Correlation Analysis** to determine the direction and strength of the relationship between all the independent variables and the firm value as a dependent variable.

- **Multiple Regression/Correlation Analysis** in order to determine the effect of the independent variable on the dependent variable.

- **F-test** to test the significance of the model as a whole, **T-test** to test the significance of each variable separately, and **Variance Inflation Factor (VIF)**

and Tolerance test were used to discover the extent of the problem of linear interference in the model.

9. Discussion and Results:

The study employed the data obtained for the purposes of determining the extent of compliance of the annual reports of the companies under study with the global framework of integrated reporting, determining the nature and direction of the relationship between the quality of integrated reporting and the firm value, and measuring the impact of the quality of the integrated reporting on the firm value in the companies under study. The study relied on the use of statistical methods represented in the multiple regression method, the simple regression model, and others for the purpose of analyzing the data, testing the validity of the study's hypotheses and extracting its results. This can be clarified as follows:

9.1 Descriptive analysis of the study variables:

Table no. (3) illustrates the descriptive statistics of the study variables. It is noted from the table that the most important results are as follows:

The average firm value increased more than one, which amounted to (1.9737), and this indicates that the companies under study have been maximizing their value during the study period from 2013 to 2017. As for the variables that measure the quality of integrated reporting, it was noted that with regard to the guidelines, the principle of relative importance was found by (53.2%) in the reports of these companies compared to what was stated in the global framework for integrated reporting, while the principle of information correlation was available at a rate of (44.3%), and the principle of comprehensive of stakeholders was available at a rate of (37.21%) in the companies' reports in the period under study. With regard to the degree of commitment of companies during the period under study to the elements of the content of the reports, they disclose in light of the elements of the normative content of the framework issued by the World Council for Integrated Reporting. It was found that the average level of disclosure of (regulation and external environment, risks and opportunities, strategy and resource allocation, business model , governance, performance and future outlook) reached [(48.47%), (48.53%), (38.1%), (35.7), (23.85%), (59.01%)] respectively. This means that the companies under study comply with the global framework for integrated reporting when preparing their annual reports, but at an average rate, and therefore the first hypothesis is rejected: "The companies under study do not comply with the global framework for integrated reporting when preparing their annual reports." This is agreed with what was stated in the study of (Melegy & Alain, 2020), where the study found the quality of disclosure of the integrated business reporting in Egypt had a total average of 40.2%.

Table (3):

Descriptive statistics of the study variables in the companies under study

Code	Variables	Mean	Std. Dev.
Y	Firm value	1.9737	1.76634
X	Integrated reporting quality		
	Guidelines		
X11	Materiality	.5320	.14121
X12	Interrelationship (communication) of information	.4430	.10984
X13	(Relationship/Inclusivity) Stakeholders	.3721	.19096
	Report content elements		
X14	An overview of the organization and the external environment	.4847	.15444
X15	Risks and opportunities	.4853	.19239
X16	Strategy and resource allocation	.3810	.14891
X17	Business model	.3570	.14472
X18	Governance	.2385	.11619
X19	Performance and future outlook	.5901	.14074

It is observed that, companies in Egypt are still not committed to applying the principles of the global framework for integrated reporting, as well as the disclosures issued by it, but some of these companies resort to commitment to local rules regarding the disclosure of specific issues such as "disclosure of their social and environmental responsibility and recognition of sustainability and governance". Moreover, some of these companies entered and exited the classification of sustainability and social responsibility issued by the stock exchange during the study period.

9.2 Testing the relationship between the study variables:

To test the second hypothesis "There is no statistically significant relationship between the quality of integrated reporting and the firm value in the companies under study.", correlation analysis is used.

Table no. (4) shows the results of the Pearson correlation analysis of the study variables

Code	Variable	Firm Value Y	P-Value
X11	Materiality	.824**	.000
X12	Interrelationship of Information	.745**	.000
X13	Stakeholders Relationship	.816**	.000
X14	An overview of the organization and the external environment	.852**	.000
X15	Risks and opportunities	.764**	.000
X16	Strategy and resource allocation	.845**	.000
X17	Business model	.832**	.000
X18	Governance	.832**	.000
X19	Performance and future outlook	.872**	.000

It is clear from the table no. (4) the following:

There is a significant positive correlation between the firm value, and the quality of integrated reporting measured by (relative importance, information correlation, comprehensive of stakeholders, disclosure of regulation and the external environment, disclosure of risks, disclosure of strategy and resource allocation, disclosure of business model, disclosure of governance disclosure of the performance and the company's future view) where the correlation coefficients between the firm value and these variables are (0.824, 0.745, 0.846, 0.832, 0.845, 0.764, 0.852, ٠.٨١٦, 0.872) respectively. In light of these results, the second hypothesis is rejected: "There is no statistically significant relationship between the quality of integrated reporting and the firm value in the companies under study."

9.3 The impact of the quality of integrated reporting on the firm value:

To test the validity of the third hypothesis of the study, which is: "There is no statistically significant impact of the quality of the integrated reporting on the firm value in the companies under study," a multiple regression model was used.

Table No. (5) shows the results of the multiple regression analysis of the most important factors related to the quality of integrated reporting that affect the firm value in the companies under study, it is clear from the table (5) the significance of the model used as a whole to test the impact of the quality of integrated reporting on the firm value, where the value of F is (94.173) with a significant level (P-value) (.000), which is less than (.05), which means that the model with its independent variables is valid for predicting the value of the dependent variable. It is also clear that there is no problem of linear interference and the strength of the study model in explaining the effect on the firm value, with regard to the explanatory power of the model, it turns out that the value of the multiple correlation coefficient between the independent variables and the dependent variable amounted to (.983) and the relative contribution (the coefficient of determination) to it amounted to (96.6%), which means that the independent variables related to the quality of the integrated reporting explain an amount of 96.6% of the change in the dependent variable (the firm value).

The results of the multiple regression analysis of the most important factors affecting the firm value show that:

- The (inclusiveness of stakeholders, disclosure of regulation and the external environment, disclosure of governance, disclosure of performance and the future view of the company) have a positive and significance effect (significance level of 5% or less) on the firm value.

- Each of (disclosure of risks and opportunities, disclosure of strategy and resource allocation) has a negative and moral impact (a level of significance of 5% or less) on the value of the firm. The negative impact of these factors on the firm value can be explained as most of the information related to these two items is strategic and competitive information and therefore, the company must be careful when disclosing it. Due to disclosing it explicitly affects the firm's competitive position and thus will negatively affect its value. The rest of the factors have a non-significant effect.

Table (5): Results of multiple regression analysis of the impact of the quality of integrated reporting on the firm value

Code	Variables	Unstandardized Coefficients		Standardized Coefficients Beta	T	P-value	VIF	Tol
		B	Std. Error					
X11	Materiality	1.853	1.989	.148	.932	.359	6.896	0.145
X12	Interrelationship (communication) of information	-.821	1.448	-.051	-.567	.575	7.092	0.141
X13	(Relationship/Inclusivity) Stakeholders	1.999	.635	.216	3.150	.004	4.132	0.242
X14	An overview of the organization and the external environment	8.649	3.970	.756	2.179	.037	7.194	0.139
X15	Risks and opportunities	-1.433	650	-.156	-2.20	.035	4.405	0.227
X16	Strategy and resource allocation	-8.777	4.366	-.740	-2.01	.05	7.246	0.138
X17	Business model	-2.651	1.787	-.217	-1.48	.148	6.535	0.153
X18	Governance	11.649	1.315	.766	8.856	.000	6.578	0.152
X19	Performance and future outlook	3.760	1.099	.300	3.422	.002	6.711	0.149
Constant				٣.٥٩٦-				
R				.983				
R^2				.966				
Adjusted R^2				.956				
F value				94.173				
P-Value				.000				

The equation of the regression model of the model is as follows: (The variables that have a significant effect are shown as **Bold**)

$$Y = -3.596 + 1.853\,X11 - .821\,X12 + \mathbf{1.999\,X13} + \mathbf{8.649\,X14} - \mathbf{1.433\,X15} - \mathbf{8.777\,X16} - 2.651\,X17 + \mathbf{11.649\,X18} + \mathbf{3.76\,X19}$$

In light of the above results, the third hypothesis is rejected, which is "there is no statistically significant impact of the quality of integrated reporting on the firm value in the companies under study", and this result agrees with the results of the studies of (Lee & Yeo, 2016; Samy, 2019; Vitolla, et al., 2020; Moloi & Iredele, 2020; Melegy & Alain, 2020) which confirms the existence of a positive impact of the quality of integrated reporting and the firm value. While this result differs with the results of the study (Nurkumalasari et al., 2019) which found that there was no impact of the quality of integrated reporting on the firm value, as well as the results of the study (Dube, 2018) which proved that there was a negative impact of the quality of integrated reporting on the firm value.

10. Conclusions and Implications:

By extrapolating the relevant previous studies and the results of the applied study, the study concluded that:

- The companies under study comply with the requirements of the global framework for integrated reporting at preparing their annual reports, but at an average level.

- There is a strong and significant direct correlation between the quality of integrated reporting and the firm value in the companies under study.

- There is a significant impact of the quality of the integrated reporting on the firm value in the companies under study.

11. Recommendations and future research:

11.1 Recommendations:

In light of the implications and results of the study, the researcher recommends the following: (1) The need for financial markets and international organizations concerned with the accounting and auditing profession to develop a set of regulations, laws, standards, guidelines, and mandatory and non-mandatory frameworks that regulate the report and disclosure of non-financial information according to the Global Initiative for Integrated Reporting. (2) Stock markets and/or regulatory agencies should require businesses to report in accordance with a specific international framework to promote a consistent approach, or explain the reasons for not doing so, and should consider supplementing international frameworks with guidance on disclosure priorities in light of what serves the country's national goals. (3) To support the credibility of integrated reporting this requires a strong internal control system; Stakeholder participation through online surveys; The submission by an independent third party of the "Statement of Assurance" as well as the internal assurance of these reporting. This requires the need for stock markets and regulatory agencies to set requirements for confirming these reports by an independent party, as well as setting rules that determine the legal responsibility of the auditor for the accuracy of their data.

11.2 Proposed Future Studies:

The study suggests further research into the following points: (1) Assessing the impact of business institutions adoption of the global framework for integrated reporting on achieving sustainable development goals (An Applied Study). (2) A proposed framework for accounting for multiple capitals and its impact on investors' decisions (An Applied Study). (3) Evaluating the impact of the report on the organization's business model in the light of its external context on the quality of accounting information (An Applied Study). (4) Measuring the relevance of integrated reporting in interpreting the change in the values of stock prices (An Applied Study). (5) A proposed framework for developing the content of integrated reporting in the light of the relative importance and its impact on information asymmetry (An Applied Study).

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