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Effect of Integrated Reporting Practices on Improved Stakeholders Relationship in Nigerian Quoted Manufacturing Companies.

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ABSTRACT: *Globally, stakeholders are demanding for more information that will create better relationship between them and the organisations. In response to this request, companies have begun to adopt reporting practices to demonstrate an improved stakeholders' relationship. This study examined the effect of integrated reporting practices on improved stakeholders relationship in Nigerian quoted manufacturing companies. The study employed a survey research design. The population of the study comprised 54 Nigerian quoted manufacturing companies as at 2018, and the big 4 accounting firms. A sample size of 45 was determined on convenience while 675 respondents were purposively selected using event criterion of departments believed to have information about integrated reporting. Data were collected through a validated questionnaire with Cronbach's alpha reliability coefficients which ranged from 0.73 to 0.85. A retrieval rate of 77.9% was achieved. Data were analysed using descriptive and inferential statistics. The study revealed that integrated reporting practices jointly had significant effect on improved stakeholders relationship (Pseudo* $R^2 = 0.462$, $F(8, 526) = 250.429$, $p < 0.05$)*. The study concluded that integrated reporting practices contributed to improved stakeholders relationship of Nigerian quoted manufacturing companies. The study recommended that Management of quoted companies should commence the adoption of integrated reporting practices on voluntary basis. The study further recommended that the current effort of accounting standard setters and regulators on integrated reporting practices should be fast-tracked for a new framework for corporate reporting in Nigeria.*
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I. INTRODUCTION

Many changes have evolved in the operation of business and its value creation ability since the current business reporting model was introduced (International Integrated Reporting Council (IIRC), (2011). These developments have led companies to report on areas like governance, risk management and sustainability in addition to their financial performance (Camilleri, 2018; Eccles & Serafeim, 2011; Gray, Javard, Power, & Sinclair, 2001; KPMG, 2008; Owen, 2006). Companies must meet the stakeholders need by integrating and disclosing both financial and non-financial information to remain sustainable and attractive in this competitive business world (Dewanti, Anantha & Widasari, 2017; Hoque, 2017).

The demand to prepare and publish a financial statement has emerged in the early 1930's with the Securities Act of 1933 following the Great Depression with a view to furnishing potential investors with adequate information. During the 1960s, some companies began to produce non-financial reports voluntarily to respond to stakeholders agitation for more informed corporate disclosure (King, 2011). There are considerable variations in the content of this report but generally it reveals information about economic, social and environmental performance in a printed form (Visser, Matten, Pohl &Tolhurst, 2010). In 1980's, the corporate reporting was developed one-step further; including financial statements, management commentary, governance and remuneration, and environmental reporting.

Several years later Elkington introduced the term triple bottom line to describe the economic, environmental and social value of investment that may accrue outside a firm financial bottom line (Elkington, 2004). In an attempt to showcase the potential value of business, the Global Reporting Initiative (GRI) was formed in 1997 with the objective of creating a framework to develop guidelines and indicators for companies to measure and report their economic, environmental and social performance in a multi-stakeholder approach (GRI, 2011). This non-financial information has appeared in a form of standalone sustainability report, corporate social responsibility (CSR) and environmental report. This approach appeared to be disjointed, too bulky and failed to connect the accounting numbers together with non-financial information. Besides, it lacks the ability to link the business model, governance, strategy and potential risk with future expectation to reveal the value creation potential of the organisation (The Economist, 2009).

Stakeholders craved for integrated reporting that shows the interrelationship between financial and non-financial indicators (Akintoye & Asein, 2018; Bhasin, 2017; Burke & Clark, 2016; Camilleri, 2018; Coelho, 2016; Ito & Iijima 2018; KPMG, 2013; Manes-Rossi, 2018; Morros, 2016; Stewart, 2015; Zhou, Simnett & Green, 2016). It is agreed that there exist relationship between companies and stakeholders but it is perceived that the introduction of integrated reporting will enhance the relationship through the presentation of complete information in term of financial and non-financial in one report.

Legislators and civil societies are asking companies to seek out stakeholders' opinion and consent as a formal step in corporate reporting and assessment. Inability of companies to identify their stakeholders and explain how they have responded to their expectations and interest is impairing stakeholders trust and confidence. It would be difficult for companies to stay in business if they do not operate with the interest of their stakeholders in mind. The stakeholders include but not limited to shareholders, customers, suppliers, employees, regulators and local communities.

Non-engaging with stakeholders give an impression that the companies are not interdependent entity which is impacted by and has an impact on many different groups. For many companies, finding the right approach to stakeholders engagement and tapping the wider benefits it offers to business is still uncharted territory. Manufacturing activities directly affects the local communities, government in terms of paying royalties and other related taxes. Lack of good relationships with the workforce and related labour unions affect the productivity of the business both directly and indirectly. Business regulators around the world are steering corporations to reduce their negative impacts on the environment and society, or at least to account for how the value they create balances against the human harm they may be causing (Dechezlepretre & Sato, 2014).

Many research works have been carried out on integrated reporting in developed countries like Adams and Simnett (2011), Anifowose, (2016), Aujirapongpan and Chanatup, (2015); Bhasin, (2017); Burke and Clark, (2016); Coelho, (2016); Cosma, Soana and Venturelli (2018); De Villiers and Hsiao, (2017) but only few studies exist in Nigeria to the best of researchers knowledge. The dearth of knowledge and awareness in this new trend of reporting has necessitated calls for more research on the concept by the IIRC. Arising from identified gaps in knowledge, this study surveyed the effect of integrated reporting practices on improved stakeholders relationship in Nigerian quoted manufacturing companies. The following hypothesis was drafted in null form and tested accordingly:

Integrated reporting practices does not have significant effect on improved stakeholders relationship in Nigerian quoted manufacturing companies.

The rest of the paper is arranged in the following orders. The next section contains the conceptual, theoretical and empirical review of literature. Methodology of the study followed before the findings and discussions. The conclusion of the study came thereafter and then recommendations.

II. LITERATURE REVIEW/THEORETICAL UNDERPINNING

2.1Conceptual Review

Integrated reporting: The phrase 'integrated reporting' was formally introduced in the King Code or Corporate Governance Principles (King III) as part of on-going corporate governance reforms in South Africa (Haji & Anifowose, 2016).Integrated reporting is a process of collating, preparing and presenting all-inclusive financial and non-financial information about the activities of organisation in an integrated report showing the value creation potential of the organisation. According to Eccles and Krzus (2010) integrated reporting is the process of environmental, social and governance (ESG) integration into the annual report of companies. Eccles and Krzus (2010) further referred to an integrated report as 'One Report', which carries a two-dimensional meaning. Paolucci and Cerioni (2017) argued in favour that one report may refer to either a single document where the company provides a holistic view of the interests of all of its stakeholders.

According to IIRC (2011) integrated reporting practices is a modern corporate reporting system founded on integrated thinking that results in a periodic integrated report by an organisation about value creation over time, and related communications regarding aspects of value creation (IIRC, 2013a). It incorporates new models into reporting structure that could change the corporate reporting pattern, enhance the ability of investors to evaluate firms' future opportunities, and offer solutions to overcome the around-the-clockcriticisms of traditional reporting models (Adhariani & de Villiers, 2018; De Villiers et al., 2017). The output of an integrated reporting is an integrated report, which acts as a substitute of an organisation's annual report.

loana and Adriana (2014) identified integrated reporting as an integration of sustainability and corporate social responsibility information into the annual report. Van Bommel (2014) posited thatintegrated reporting is a hybrid practice that spans between the different worlds of financial reporting and sustainability reporting aiming at providing a true and fair view of the firm value and thereby accounting for sustainability.

Organisational Overview and External Environment Reporting: Organisational overview is affair of the business relating to its mission and vision. Organisational overview should provide essential context by identifying matters such as culture, ethics and values, ownership and operating structure, principal activities and markets. (IIRC, 2013a). External environment comprises factors that exist outside the organisation. These factors are capable of having serious effect on the company's growth and survival (Pakkanen, 2012). External environments consist of many different factors including political, sociological, demographical, global and technological, customer preference and related industries (Lynch, 2006). According to IIRC (2013a) significant factors affecting the external environment include aspects of the legal, commercial and social context that affect the organisation ability to create value in the short, medium and long term directly or indirectly. These factors occur in the context of the organisation industry or region and in the wider planetry context. For instance the legitimate needs and interests of key stakeholders, macro and micro economic conditions, such as economic stability, globalization and industry trends, market forces, societal issues such as population and demographic changes, human rights, health, poverty, collective values and educational systems.

Governance Reporting: Governance reporting is theprocess of communicating the leadership structure, ethical value, culture, including the skill and diversity of those charged with governance in the day to day running of the organisation. The UK Cadbury Report (1992) defines corporate governance as the system by which firms are directed and controlled. According to Thompson (2009) corporate governance refers to the set of systems, principles and processes by which a company is governed. Okeahalam and Akinboade (2003) defined corporate governance is concerned with the processes, systems, practices and procedures that govern institutions. The Organisation for Economic Cooperation and Development (OECD) Principles of Corporate Governance states that corporate governance involves a set of relationships between a company's management, its board, its shareholders and other stakeholders. Corporate governance involves organisational decisions made at the senior level that directly influence the incentives, motivations and behaviour of all employees (Larcker & Tayan, 2013).

Business Model Reporting

IIRC opined that business model is 'an organisation's system of transforming inputs through its business activities into outputs and outcomes that aim to fulfil the organisation's strategic purposes and create value over the short, medium and long term (IIRC, 2013c). Business model is the framework in which a company execute its strategy, creating value through core business processes for different types of stakeholders (AICPA & Black Sun, 2018).

A business model describes the logic of the company, the way it operates and how it creates value for its stakeholders (Casadesus-Masanell & Ricart, 2010; Sukhari & de Villiers, 2018). The business model is a significant means for capturing, visualizing, understanding and communicating a company's business logic (Osterwalder, 2004). It provides a platform to measure, observe and compare company performance and improves the management of the business logic by enhancing the design, planning, changing and implementation of company strategy (Osterwalder, 2004). Ernst and Young (2014) opined that business model is a critical component of integrated reporting because it helps in meaningful engagement with investors and other user of annual report.According to IIRC (2013c) an integrated report should answer the question: What is the organisations business model? (Sec 4.10).

Risk and Opportunities Reporting

Risk refers to 'uncertainty as to the amount of benefits. It includes both potential for gain and exposure to loss' (Scantlebury & Alleyne, 2015). Risk is normally referred to as a set of outcomes arising from a decision that can be assigned probabilities whereas probabilities cannot be assigned to the set of outcomes (Watson & Head, 1998). Risk disclosure is the communicating information about firms' strategies, characteristics, operations and other external factors that have the potential to affect expected results (Beretta & Bozzolan, 2004).

Risk disclosure is an attempt to inform stakeholders of a prospective opportunity or a situation that is dangerous capable of becoming a threat or about to affect a company in the future (Linsley & Shrives, 2006; Scantlebury & Alleyne, 2015). According to Wen and Heong (2017), risks are treated often as corporate hazards despite the fact that risks could be converted into big opportunities for corporate investment. Bekefi, Epstein and Yuthas (2008) opined that risks and opportunities are increasingly related to strategy, performance and improved shareholder value as against merely avoidance and commitment. Risk management practices and reporting are positively associated with higher profitability (Wen and Heong, 2017).

An integrated report should answer the question: What are the specific risks and opportunities that affect the organisations ability to create value over the short, medium and long term, and how is the organisation dealing with them? (Sec 4.23). An integrated report identifies the key risks and opportunities that are specific to the organisation, including those that relate to the organisations effects on, and the continued availability, quality and affordability of, relevant capitals in the short, medium and long term (Sec 4.24).This can include identifying the specific source of risks and opportunities which can be internal, external or, commonly a mix of the two.

Strategy and Resource Allocation Reporting: According to Casadesus-Masanell and Ricart (2010) a strategy refers to the choice of business model through which the company will compete in the marketplace. It is a contingent plan of action designed to achieve a particular goal (Sukhari & de Villiers, 2018). Strategy is viewed as the process by which companies execute their business model and how their business processes fit together. The focus of strategy is on the precise formulation of a plan of action about the intentions of the company and achieving those goal taking into account the products it supplies, the customers it serves, the countries in which it operates, the activities it undertakes as well as resource allocation (Grant, 2016).

An integrated report should answer the question: Where does the organisation want to go and how does it intend in getting there? (Sec 4.27). An integrated report ordinarily identifies the organisations short, medium and long term strategic objectives. The strategies it has in place, or intends to implement to achieve those strategic objectives. The resource allocation plans it has to implement its strategy. How it will measure achievements and target outcomes for the short, medium and long term (Sec 4.28).

Performance Reporting: CIMA (2004) opines that performance reporting is a means to an end, never an end in itself. Niculescu (2005) posits that performance is a state of competitiveness of the economic entity reached through an efficiency and productivity level, which ensures its durability on the market. Bagu (2001) states that performance represents the level of best obtained results. Ittner, Larcker and Rajan (1997) suggests that using non-financial indicators quickly provide the shareholders with information regarding the effort put by the manager into creating value at the level of the organisation. Elena (2014) states that the performance of a company implies entwining various types of abilities that characterize the activity of the company such as productivity, profitability or competitiveness.

An integrated report should answer the question: To what extent has the organizationachieved its strategic objectives for the period and that what are its outcomes in terms ofeffects on its capital? (Sec 4.30). An integrated report contains qualitative and quantitativeinformation about performance that may include matters such as quantitative indicators withrespect to targets and risks and opportunities, explaining their significance, their implications,and the methods and assumptions used in compiling them.

Outlook Reporting: Section 4. 34 of IIRC (2013) framework opined that integrated report should answer the question: What challenges and uncertainties is the organisation likely to encounter in pursuing its strategy, and what are the potential implications for its business model and future performance? Section 4.35 of IIRC (2013) posited that an integrated report ordinarily highlights anticipated changes over time and provides information built on sound and transparent analysis, about the organisations expectations about the external environment the organisation is likely to face in the short, medium and long term. Furthermore, the IIRC (2013) stated that the report should reveal how that will affect the organization and how the organisation is currently equipped to respond to the critical challenges and uncertainties that are likely to arise (Sec 4.35).

Basis of Preparation and Presentation Reporting: An integrated report should answer the question: How does the organisation determine what matters to include in the integrated report and how are such matters quantified or evaluated? (Sec 4.40). An integrated report describes its basis of preparation and presentation including a summary of the organisations materiality determination process. A description of the reporting boundary and how it has been determined. A summary of the significant frameworks and methods used to quantify or evaluate material matters (Sec 4.41). An integrated report includes a summary of the organisations materiality determination process and key judgements, this may include Brief description of the process used to identify relevant matters, evaluate their importance and narrow them down to material matters.

Improved stakeholders relationship: Stakeholders engagement is the involvement of stakeholders in a positive manner in organisational activities (Greenwood, 2014).Stakeholders may include providers of financial capital, employees, customers, suppliers, trade creditors, business partners, local communities, NGO’s environmental groups, regulators, providers of other capitals and policy makers. Feng, Cumming and Tweedie (2017) stated that stakeholders want a better understanding of the strategies in place, the impact and outcomes of those strategies and where accountability exists in the organisation. This study posits that improved stakeholders relationship can be achieved if organisations are able to provide relevant and necessary information in their report in meeting the expectations of various stakeholders.

2.2 Theoretical Framework

This study is hinged on Stakeholder theory propounded by Freeman (1984) and Legitimacy theory credited to Dowling and Pfeffer (1975). Stakeholders are groups or individual who are influenced or can influence corporate activities (Bassey, Effiok & Eton, 2013). The long run survival of the organisation depends on its stakeholders' support and approval. The more power stakeholders possess, the better the organisations ability to meet their demand. According to Phillips (2003) the theory provides a means of connecting ethics and strategy which can help organisations who have the intention of serving the interests of all the stakeholders create value over time (Campbell, 1997; Freeman, 1984; Freeman, Harrison, & Wicks, 2007). Stakeholders theory is relevantly used in this study because it posits that since a firm is in relationship with many diversified groups, it has to protect their interest and provide them with adequate information about all aspects of the business of the firm as a sense of belonging.

Legitimacy theory assumes that a company has no right to exist unless its values are being perceived as matching and congruent with that of the society at large where it operates (Dowling & Peffer, 1975**,**Linblom, 1994). Organisations are expected to be in interaction with society in order to influence society and vice-versa (Deegan & Unerman, 2006). This theory also explains the incentive for a company/manager to report information capable of creating value for the organisation. The legitimacy theory gives understanding that there is a social contract between a company and the community. Companies should stick to this contract otherwise they may damage their own legitimacy and lost believe of society.According to According to Akintoye and Asein (2018)companies can use information in these sorts of disclosures to maintain their legitimacy and be on one level with society.

2.3 Empirical Review

Paolucci and Cerioni (2017) documented that the adoption of integrated reporting among Italian companies has been found to be more involved and interactive with stakeholders. Furthermore, it was revealed that investors appreciated the company due to the information being provided that has led to enhanced investment decision.

Wen and Heong (2017) investigated integrated reporting and financial performance in Malaysia. The study revealed that governance, business model, risks and opportunities and performance disclosure have significant positive impact on financial performance. This implies that improved relationship is being created.

Steyn (2014) examined organisational benefits and implementation challenges of mandatory integrated reporting. The study found that there is an improved relationship with stakeholders as a result of mandatory integrated reporting.

Aujirapongpan and Chanatup (2015) found that integrated reporting is important to improve the stakeholder's engagement and investor's demand.Serafeim (2015) studied integrated reporting and investor clientele. The study found that firms that report more information about the different forms of capital or the guiding principle of integrated reporting exhibit a more long term investor base.

Camilleri (2018) examined theoretical insights on integrated reporting and the inclusion of non-financial capital. The study found that integrated reporting has provided a passive avenue for the legitimization of corporations and large entities among stakeholders.

Ito and Iijima (2018) studied the paradigm shift from financial reporting to integrated reporting. The study found that integrated report was disclosed to investors and found to be strongly influenced by the idea of the sustainability report in terms of stakeholder engagement.

III. METHODOLOGY

The study adopted survey research design. The population of this study consisted of fifty eight (58) companies comprising fifty four (54) quoted manufacturing companies on the Nigerian Stock Exchange (NSE) or 'The Exchange' as at 30th June, 2018 and the big four (4) accounting firms. Convenience sampling technique was adopted in the selection of the sampled companies. Three staff each in the managerial category of the five departments of Finance, Sustainability, Corporate services, Investors relations, Internal audit and risk management were randomly selected. 675 questionnaires were distributed while 526 were retrieved and analysed. Data were collected through a validated questionnaire with Cronbach's alpha reliability coefficients which ranged from 0.73 to 0.85. Data were analysed using descriptive and inferential statistics of ordered logistic regression.

Improved stakeholders relationship was operationalized as the dependent variable while integrated reporting practices was the predictors. This operational relationship was expressed as a model in mathematical equation (1)

Model Specification

$$ISR = \alpha_{0i} + \beta_1 OOEER_i + \beta_2 GR_i + \beta_3 BMR_i + \beta_4 ROR_i + \beta_5 SRAR_i + \beta_6 PR_i + \beta_7 OR_i + \beta_8 BPPR_i + \mu_i$$

Where: ISR = Improved Stakeholders Relationship, OOEER = Organisational Overview and External Environment Reporting, GR = Governance Reporting, BMR = Business Model Reporting, ROR = Risk and Opportunities Reporting, SRAR = Strategy and Resource Allocation Reporting, PR = Performance Reporting, OR = Outlook Reporting, BPPR = Basis of Preparation and Presentation Reporting.

IV. RESULTS AND FINDINGS

4.1 Descriptive Analysis

Descriptive analysis using mean and standard deviation were used to examine the elements of integrated reporting practices and improved stakeholders relationship. The analysis are presented in Table 1:

Table 1: Descriptive Statistics

	Mean	**Std. Dev**
Organisational Overview and External Environment Reporting	5.22	0.79
Governance Reporting	5.18	0.76
Business model reporting	5.12	0.74
Risks and opportunities reporting	5.15	0.77
Strategy and resource allocation reporting	5.11	0.85
Performance reporting	5.23	0.77
Outlook reporting	5.05	0.81
Basis of preparation and presentation reporting	4.86	0.93
Improved stakeholders relationship	5.36	0.74

The table 1 shows that on the average the respondents agreed that OOEER, GR, BMR, ROR, SRAR, PR, OR and BPPR as denoted by the mean value of (5.22, 5.18, 5.12, 5.15, 5.11, 5.23, 5.05 and 4.86) will promote improved stakeholders relationship in Nigerian quoted manufacturing companies

4.2 Test of Hypothesis

The hypothesis for the study was tested with multiple regression analysis as presented in Table 2.

Table 2: Regression Results

Variable	**Coefficients**	**Exponent of Coefficients**	**Standard Error**	**Wald-Test**	**Prob**
Constant	18.35		1.602	131.16	
OOEER	0.413	1.511	0.191	4.664	0.031
GR	0.698	2.010	0.195	12.777	0.000
BMR	1.268	3.553	0.222	32.575	0.000
ROR	0.408	1.504	0.218	3.498	0.061
SRAR	-0.189	-0.827	0.182	1.081	0.298
PR	0.202	1.224	0.196	1.064	0.302
OR	1.037	2.820	0.207	25.237	0.000
BPPR	0.092	1.096	0.154	0.358	0.549
Pseudo R-Square	0.462				

Source: SPSS Regression Output, (2019)

Notes: Improved Stakeholders Relationship (ISR) is the dependent variable; the explanatory variables are Organisational overview and External Environment Reporting (OOEER), Governance Reporting (GR), Business Model Reporting (BMR), Risk and Opportunities Reporting (ROR), Strategy and Resource Allocation Reporting (SRAR), Performance Reporting (PR), Outlook reporting (OR) and Basis of Preparation and Presentation Reporting (BPPR).

Interpretation

Table 2 shows the results of regression analysis for the relationship between integrated reporting practices and improved stakeholders relationship and engagement in Nigerian quoted manufacturing companies. The results show that organisational overview and external environment reporting, governance reporting, business model reporting and outlook reporting have positive and significant relationship with improved stakeholders relationship and engagement in Nigerian quoted manufacturing companies (β_1= 0.413, Wald test= 4.664, p =0.031; β_2 = 0.698, Wald test = 12.777, p = 0.000; β_3= 1.268, Wald test= 32.575, p < 0.000 and β_7= 1.037, Wald test= 25.237, p =0.000) respectively. This implies that organisational overview and external environment reporting, governance reporting, business model reporting and outlook reporting were significant factors influencing changes in improved stakeholders relationship and engagement in Nigerian quoted manufacturing companies.

However, performance reporting and basis of preparation and presentation reporting have positive but insignificant relationship with improved stakeholders' relationship and engagement in Nigerian quoted manufacturing companies (β_6= 0.202, Wald test = 1.064, p = 0.302 and β_8 = 0.092, Wald test= 0.358, p = 0.549) while strategy and resource allocation reporting has negative but insignificant relationship with improved stakeholders' relationship and engagement in Nigerian quoted manufacturing companies (β_5= -0.189, Wald test= 1.081, p = 0.298). This implies that performance reporting, basis of preparation and presentation reporting and strategy and resource allocation reporting are not significant factors influencing changes in improved stakeholders relationship in Nigerian quoted manufacturing companies.

Concerning the magnitude of the estimated parameters for the coefficients of the ordered logistic regression, the exponents of the parameters are used and they are e(0.413, 0.698, 1.268, 0.408, -0.189, 0.202, 1.037 and 0.092) gives 1.511, 2.010, 3.553, 1.504, -0.827, 1.224, 2.820 and 1.096 This implies that a unit increase in organisational overview and external environment reporting, governance reporting, business model reporting, risk and opportunities reporting, performance reporting, outlook reporting and basis of preparation and presentation will lead to 1.511, 2.010, 3.553, 1.504, 1.224, 2.820 and 1.096 increase in improved stakeholders relationship and engagement in Nigerian quoted manufacturing companies respectively, while a unit increase in strategy and resource allocation reporting will lead to 0.827 decrease in improved stakeholders relationship and engagement in Nigerian quoted manufacturing companies.

The resulting model from the analysis was given as follows:

ISR = 18.35 + 0.413OOEER + 0.698GR + 1.268BMR + 1.037OR

The Pseudo R-square which measure the proportion of the changes in improved stakeholders relationship and engagement in Nigerian quoted manufacturing companies as a result of changes in organisational overview and external environment reporting, governance reporting, business model reporting, risk and opportunities reporting, strategy and resource allocation reporting, performance reporting, outlook reporting and basis of preparation and presentation reporting explains about 46% changes in improved stakeholders relationship and engagement while the remaining 54% were other factors explaining changes in improved stakeholders relationship and engagement in Nigerian quoted manufacturing companies but where not captured in the model.

4.3 Diagnostic Tests

This sub section shows the post estimation tests for Model 2 of this study.

Table 4.3 Diagnostic Tests

Source: Researcher's study output, (2019)

	Chi-Square	df	Prob
Model Fitting Information (F-stat)	250.429	8	0.000
Goodness of Fit			
Pearson	426.223	404	0.347
Deviance	481.520	404	0.325
Test of Parallel Lines	12.262	8	0.321

Table 4.3 presents the F-stat of 250.429 is significant at 5%; this implies that the final model gives a significant improvement over the baseline constant model. The two goodness of fit statistic of 426.223 and 481.520 is not significant at any level, thus the non-rejection of the null hypothesis that the fit is good. This implies that the data and the model predictions are similar and that it is a good model. The statistic for the test of parallel lines is given as 12.262. This value is not significant; this implies that the null hypothesis that the slope coefficients are the same across response categories cannot be rejected. Thus, the proportional odds assumption holds for general model.

The F-stat of 250.429 is statistically significant with p = 0.000 indicating that on the overall, the statistical significance of the model showed that the null hypothesis of that there is no significant relationship between integrated reporting practices and improved stakeholders relationship and engagement in Nigerian quoted manufacturing companies in Nigeria was rejected. Thus, the alternative hypothesis that there is a significant relationship between integrated reporting practices and improved stakeholders relationship in Nigerian quoted manufacturing companies was accepted.

Discussion of findings

This regression analysis as shown in Table 4.2 revealed that OOEER, GR, BMR and ORhave significant positive effect on improved stakeholders relationship at 5% level of significance.

This shows that OOEER is an important element to achieve improved stakeholders relationship and engagement. When organisation report on matters such as culture, ethics and values, ownership and operating structure, principal activities and markets, it implies that better information is being given the shareholders, prospective investors, customers and other stakeholders thus improving stakeholders relationship. This finding is inconsistent with Wen and Heong (2017) which reported an insignificant negative relationship between organisational overview and external environment disclosure and financial performance.

In relation to GR, it implies that GR is a vital element that will promote improved stakeholders relationship and engagement in Nigerian quoted manufacturing companies. GR including leadership structure, skill and diversity of those charged with governance, particular actions those charged with governance have taken to influence and monitor the strategic direction of the organisation will enable stakeholders to better understand what strategies are undertaken, the impact and outcomes of those strategies and where accountability exists in the organisation. This finding is consistent with Wen and Heong (2017) which reported a significant positive relationship between governance disclosure and company performance.

With regard to BMR, this means that BMR of various capital inputs, key business activities of the organisation, key products and services of the organisation and key outcomes such as employee morale, customers' satisfaction, social and environmental is vital to the organisations. In addition, BMR will provide more information about the business to stakeholders such as investors, employee and customers. This finding is consistent with Albetari et al. (2018) and Wen and Heong (2017) which reported a significant positive relationship between business model disclosure and financial performance. Also, this finding corroborated PwC (2016) which reported that investors which to get more detailed information on business model to make their investment and further revealed that if management is unable to articulate their business model clearly, investors would decide not to invest in that company.

In respect of OR, this underscores the fact that OR reveals the preparedness of the organisation to meet future challenges alongside with sensitivity analysis and lead indicators. Given that investors evaluate the value of firm based on its future prospects stimulate improved relationship with the stakeholder (s). This finding is inconsistent with Albetari et al. (2018) which found an insignificant negative relationship and Wen and Heong (2017) which found significant negative relationship between outlook disclosure and financial performance.

5.1 Conclusion and Recommendations

The study examined the effect of integrated reporting practices and improved stakeholders relationship in Nigerian quoted manufacturing companies. To achieve this objective, the eight content element of integrated report which are organisational overview and external environment reporting, governance reporting, business model reporting, risk and opportunities reporting, strategy and resource allocation reporting, performance reporting, outlook reporting and basis of preparation and presentation reporting were adopted as the independent variables to explain variation in improved stakeholders relationship.

As evidence by the main findings of this paper, it is certain that implementation of integrated reporting will engender improved stakeholders relationship in Nigerian quoted companies. Therefore the findings of this paper will would provide a significant impetus for the adoption of integrated reporting among Nigerian quoted companies. The findings of this paper would enable companies to gain insight to the contribution of integrated reporting, especially in terms of promoting improved stakeholders relationship which is critical for the company survival.

The study recommended that Management of quoted companies should commence the adoption of integrated reporting practices on voluntary basis. The study further recommended that the current effort of accounting standard setters and regulators on integrated reporting practices should be fast-tracked for a new framework for corporate reporting in Nigeria.

5.2 Limitation of the Study

The study was limited to the Nigerian quoted manufacturing companies considering the strategic position they occupy in the Nigerian industrial sector. The study was also limited to the administration of questionnaire only since to the best of researcher knowledge no company in Nigeria has prepared integrated report.

5.3 Suggestions for Further Studies

Further related research can be conducted in other sectors such as banking, insurance and oil and gas companies in Nigeria quoted companies.

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