



## **Integrated Reporting and Earnings Quality Among Listed Firms in East Africa**

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### **Abstract**

Despite numerous studies on earnings quality, companies have continued to report low-quality earnings. Earnings quality has continued to attract the interest of scholars, practitioners, and policymakers due to the stakeholder's interest in earnings and the ultimate survival of the firms. Although the study on the quality of earnings has been extensively researched, the results are inconclusive or have mixed findings. Thus, the interest of the study in integrated reporting (IR) and earnings quality in East Africa. The objective of the study was to examine the relationship between integrated reporting and earnings quality among the listed firms in East Africa. The study was guided by agency, stewardship, and signaling theories. The study adopted explanatory and longitudinal research designs with panel data to establish the causal relationship between the research variables. The target population comprised 117 firms listed on East African Securities Exchanges. The inclusion/exclusion criteria was adopted, drawing a sample of 78 firms for the study period of 2014–2021. Data was collected from the firms' audited annual reports and analysed using descriptive and inferential statistics. The findings demonstrate that integrated reporting and earnings quality have a positive relationship. As a result, at the 5% significance level ( $\beta = -0.011$ ;  $p < 0.05$ ), voluntary adoption of integrated reporting is related to higher earnings quality. The findings are useful for East African listed companies considering adopting and disseminating IR in their annual reports in the future, as well as understanding the value of IR in improving the quality of their earnings.

**Keywords:** Integrated reporting, Earnings quality, East Africa

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