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Board Characteristics and Quality of Integrated Reporting of Firms Listed Nairobi Securities Exchange

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Abstract

Companies that opt for integrated reporting are in a favorable position to enhance a range of benefits, whether internal or external in nature. It encompasses improvements in resource allocation, shareholder engagement, and reputation. On the other hand, external advantages pertain to investors who rely on governance disclosure, as well as compliance with regulations, frameworks, standards, and guidelines set by stock exchanges. The expansion and adoption of integrated reporting are broadening its scope, with an increasing number of companies showing willingness to adopt this approach. The diffusion and adoption of reporting practices stem from diffusion theory, which has evolved from institutional theory, encompassing institutional factors that influence organizational behavior. The positive and statistically significant relationships between board characteristics highlight how crucial it is for publicly traded corporations to work to improve the independence of their boards of directors while also including members with financial expertise to facilitate the disclosure of both financial and non-financial information. The findings are significant especially in the implementation of board decisions, strategic planning, and in managing corporate governance attributes in the attempts to enhance information disclosure through the implementation of integrated reporting.

Keywords: Board characteristics, Quality of integrated reporting, Nairobi securities exchange

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