



Managerial Ownership and Audit Committee Effects on Integrated Reporting Quality: Moderating Role of Board Gender Diversity

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ABSTRACT

This study examines the influence of managerial ownership and audit committee effectiveness on the quality of integrated reporting (IRQ), with the gender of the board of directors as a moderating variable, in companies listed on the Indonesia Stock Exchange (IDX) during the 2019–2024 period. Despite the increasing global adoption of integrated reporting, empirical evidence on its governance determinants in emerging markets remains limited and fragmented. This study integrates institutional, legitimacy, and stakeholder theories to provide a comprehensive explanation of governance-driven reporting behavior. Using a quantitative associative approach, this study analyzes 149 firm-year observations from 61 companies selected through purposive sampling. Panel data regression analysis with a Random Effect Model (REM) is employed to test the hypotheses. The results indicate that managerial ownership and audit committees have a positive and statistically significant effect on the quality of integrated reporting, supporting the arguments of agency alignment and effective monitoring mechanisms. However, the gender of the board of directors does not significantly moderate the relationship between governance mechanisms and reporting quality, suggesting contextual and structural limitations in the role of gender diversity within emerging markets. This study contributes to the literature by integrating multiple governance mechanisms within a multi-theoretical framework and providing empirical evidence from Indonesia. Practically, the findings highlight the importance of strengthening corporate governance structures to enhance transparency, accountability, and the overall quality of integrated reporting, offering implications for regulators, policymakers, and standard-setting bodies.

1. Introduction

The development of corporate reporting practices in recent decades shows a shift from reporting that focuses only on financial information to more comprehensive and integrated reporting. Traditionally, corporate reporting emphasized financial performance as the primary indicator of company success. However, this approach is increasingly considered insufficient to explain how organizations create value in the long term. Stakeholders, including investors, regulators, and the public, now demand more transparent

and holistic information that includes not only financial performance but also governance, environmental, and social aspects of business operations. One of the major innovations addressing this need is Integrated Reporting (IR), which was introduced by the International Integrated Reporting Council (IIRC) in 2011. Integrated reporting aims to integrate financial and non-financial information to provide a more comprehensive picture of a company's performance, strategy, and sustainability prospects for stakeholders (Fidelia et al., 2025).

Integrated reporting has become increasingly important because traditional financial reports often fail to explain comprehensively how companies generate value in the short, medium, and long term. Within the IIRC framework, integrated reports are designed to demonstrate the relationships between a company's strategy, governance, performance, business model, and future prospects. The framework consists of eight main elements: organizational overview and external environment, governance, opportunities and risks, strategy and resource allocation, business model, performance, outlook, and basis of presentation (Lim & Pope, 2022). Through these elements, integrated reporting is expected to provide stakeholders with more meaningful insights into the overall condition and sustainability of an organization.

Globally, the adoption of integrated reporting continues to grow as companies respond to increasing demands for transparency and accountability. Stakeholders now expect companies not only to achieve financial profitability but also to demonstrate responsibility for social and environmental impacts. In this context, integrated reporting serves as a strategic communication tool that allows companies to explain how value is created through the interaction of financial and non-financial resources. As a result, integrated reporting can assist investors and other stakeholders in understanding company performance and prospects more accurately (Risnawati & Jaelani, 2025; Zennaro et al., 2024). Furthermore, integrated reporting is increasingly viewed as an important instrument for promoting sustainable and responsible business practices in the global business environment (Raimo et al., 2022).

In Indonesia, however, the implementation of integrated reporting is still voluntary and has not yet become mandatory for all companies listed on the capital market. As a consequence, the level of integrated reporting disclosure varies significantly among companies. Although some firms have begun incorporating elements of integrated reporting

into their annual reports, the extent of adoption remains uneven. Previous studies indicate that companies in Indonesia have implemented approximately 50% of the integrated reporting elements on average, suggesting that awareness of transparency and accountability in corporate reporting is gradually increasing but still not optimal (Akmal & Lestari, 2023; Gusti et al., 2026). This situation indicates that while the concept of integrated reporting is gaining attention, its practical implementation remains inconsistent across companies.

In practice, several challenges still hinder the effective implementation of integrated reporting. One of the main challenges is the varying quality of information disclosure presented by companies. Some organizations label their reports as integrated reports but do not fully apply the principles and elements outlined in the IIRC framework. This phenomenon indicates that the quality of integrated reporting still requires improvement, particularly in terms of organizational understanding, management commitment, and governance mechanisms. Evidence from companies listed on the Indonesia Stock Exchange illustrates this variation. For instance, a company with the code BFIN recorded an integrated reporting quality score of 0.78 in 2022 and improved to 0.81 in 2024, indicating a high-quality category. In contrast, another company with the code KICI only achieved a score of 0.39 in 2022, which falls into the medium category and suggests that the company has not optimally implemented integrated reporting elements.

The variation in integrated reporting quality among companies indicates that several factors may influence the quality of integrated reports. One factor often highlighted in the literature is corporate governance. Effective corporate governance mechanisms are believed to enhance transparency and accountability in corporate reporting processes. One such mechanism is managerial ownership, which refers to the condition in which company managers also hold shares in the firm. When managers have ownership stakes, they tend to

be more motivated to increase company value and reduce conflicts of interest between management and shareholders, thereby potentially encouraging the disclosure of more transparent and higher-quality reports.

Another important governance mechanism is the audit committee. The audit committee plays a crucial role in supervising the financial reporting process and ensuring that the information disclosed by the company has undergone adequate evaluation and verification. A competent and independent audit committee can enhance the credibility of corporate reports and reduce information asymmetry between management and stakeholders (Zennaro et al., 2024). In the context of integrated reporting, the audit committee is responsible for ensuring that disclosed information accurately reflects the overall condition of the company and integrates both financial and non-financial aspects of performance (Chouaibi et al., 2022).

In addition to governance mechanisms, board characteristics may also influence the quality of corporate reporting. One characteristic that has attracted growing attention in corporate governance research is gender diversity on the board of directors. Gender diversity is believed to provide different perspectives in decision-making processes and improve the effectiveness of managerial supervision (Butar-butur et al., 2024; Gusti et al., 2026; Shakil, 2021). The presence of women on corporate boards is often associated with higher levels of prudence in decision-making and greater attention to social responsibility and sustainability issues. Consequently, gender diversity may influence the quality of information disclosure in company reports, including integrated reporting.

However, previous studies have produced mixed findings regarding the influence of board gender diversity on reporting quality. Some studies report that gender diversity positively affects information disclosure quality, while others find no significant effect. These inconsistent findings indicate that the role of gender diversity in influencing integrated

reporting quality remains inconclusive and requires further investigation.

Based on the above discussion, this study addresses the research problem of how corporate governance mechanisms influence the quality of integrated reporting in companies listed on the Indonesia Stock Exchange. Specifically, this research examines the effect of managerial ownership and audit committees on integrated reporting quality, with the gender of the board of directors acting as a moderating variable. The objective of this study is to analyze whether managerial ownership and audit committee characteristics contribute to improving integrated reporting quality and whether board gender diversity strengthens these relationships.

This research is expected to provide both theoretical and practical contributions. Theoretically, the study contributes to the literature on integrated reporting and corporate governance by providing empirical evidence on governance mechanisms influencing reporting quality within the context of emerging markets. Practically, the findings may provide insights for corporate management, regulators, and stakeholders regarding the importance of strengthening governance mechanisms and board diversity in improving the quality of transparent, accountable, and sustainable corporate reporting.

2. Literature Review

2.1 Conceptual and Theoretical Foundations

2.1.1 Institutional Theory

Institutional theory explains that organizational practices are not only influenced by economic efficiency, but also by social pressures, regulations, norms, and societal expectations that develop in the organizational environment. Organizations tend to adjust their policies and practices to gain legitimacy from the external environment, so that they can maintain their operational sustainability. In the context of corporate reporting, institutional theory explains that companies will adopt more

transparent and comprehensive reporting practices in response to the demands of regulators, investors, and the wider community ([Zennaro et al., 2024](#)).

The implementation of integrated reporting is a form of corporate response to these institutional pressures. Although there is no regulation in Indonesia that explicitly requires companies to prepare integrated reports, companies are still encouraged to adopt them to improve transparency and reputation in the eyes of stakeholders. In addition, regulations such as POJK No.51/POJK.03/2017 regarding sustainability reports and Limited Liability Company Law No.40 of 2007 have provided a foundation for companies to present more comprehensive information related to social and environmental responsibility ([Aras et al., 2022](#)).

From an institutional theoretical perspective, corporate governance mechanisms such as managerial ownership, audit committees, and gender diversity on the board of directors can be seen as an organizational effort to respond to such institutional pressures. Through good governance mechanisms, companies can improve the quality of reporting and strengthen legitimacy in the eyes of stakeholders (Haladu & Bin-Nashwan, 2024).

2.1.2 Legitimacy Theory

The legitimacy theory states that an organization seeks to ensure that its operational activities are in line with societal values, norms, and expectations. If there is a gap between the company's activities and the expectations of the community, the company has the potential to lose social legitimacy which can have a negative impact on the sustainability of its business.

In the context of corporate reporting, annual reports and integrated reports are an important means of communication to show that the company has carried out its business activities responsibly. By presenting transparent information on financial, social, and environmental performance, companies can build trust and gain support from stakeholders.

Integrated reporting is an effective instrument to strengthen the company's legitimacy because it integrates various important aspects of the company's activities. Through integrated reports, the company not only conveys financial performance, but also explains how the company's business strategy, governance, and social responsibility contribute to the creation of long-term value for stakeholders.

2.1.3 Stakeholder Theory

Stakeholder theory emphasizes that the company is not only responsible to shareholders, but also to various parties who have interests in the company's activities, such as employees, customers, government, society, and the environment ([Kivits et al., 2021](#)). Therefore, companies need to consider the interests of all stakeholders in every decision taken.

In the context of corporate reporting, stakeholder theory explains that companies must provide relevant and transparent information to all stakeholders. Integrated reporting is one of the reporting approaches that is able to meet these information needs because this report integrates various aspects related to the creation of company value in the long term.

Thus, the implementation of integrated reporting can improve the quality of communication between companies and stakeholders. It can also help stakeholders understand how the company creates value through strategy, governance, and resource management.

2.1.4 Quality Integrated Reporting

Integrated reporting is a reporting approach that integrates financial and non-financial information to provide a more comprehensive picture of the company's performance, strategy, and future prospects. This report aims to explain how organizations create value in the short, medium and long term ([Ulum et al., 2024](#)).

The quality of integrated reporting reflects the extent to which a company is able to present relevant, transparent, and integrated information about various important aspects of its business activities. The quality of such reports is usually measured based on the level of disclosure of the elements contained in the integrated reporting framework developed by the International Integrated Reporting Council (IIRC).

The higher the quality of integrated reporting presented by the company, the greater the level of transparency and accountability of the company to stakeholders. It can also increase investor confidence and strengthen the company's reputation in the capital market.

2.1.5 Managerial Ownership

Managerial ownership is a condition in which the company's manager also owns shares in the company he manages. In this situation, the manager plays the role of not only the manager of the company but also as the owner of the company. Thus, the interests of the manager will be more aligned with the interests of the shareholders ([Zouari & Dhifi, 2021](#)).

Managerial ownership is believed to reduce conflicts of interest between management and shareholders that often arise in agency relationships. When managers own a company's shares, they will be more motivated to improve the company's performance as well as maintain the company's reputation in the eyes of investors.

In the context of corporate reporting, managerial ownership can encourage management to present more transparent and quality reports. Managers who also act as shareholders will be more careful in compiling company reports because the information will also affect the value of their investments.

2.1.6 Audit Committee

The audit committee is part of the corporate governance mechanism that is tasked with assisting the board of commissioners in supervising the financial reporting process,

internal control, and corporate compliance with applicable regulations. The audit committee plays an important role in ensuring that the information presented in the company's reports has gone through an adequate evaluation process ([Ulum et al., 2024](#)).

In the context of integrated reporting, the audit committee has the responsibility to ensure that the information presented in the integrated report is relevant, accurate, and trustworthy. An effective audit committee will encourage management to compile integrated reports that reflect the company's overall and strategic condition ([Zennaro et al., 2024](#)).

In addition, the characteristics of the audit committee such as size, independence, member expertise, and frequency of meetings are also believed to affect the quality of the company's reporting. An active and competent audit committee can increase transparency and strengthen corporate accountability to stakeholders ([Chouaibi et al., 2022](#)).

2.1.7 Gender Board of Directors

Gender of the board of directors refers to the diversity of gender composition in a company's leadership structure. Gender diversity in the board of directors is considered to be able to provide a different perspective in the company's strategic decision-making process.

The presence of women on the board of directors is often associated with a more careful, ethical, and long-term oriented approach to decision-making. This is especially relevant in the context of integrated reporting that focuses not only on financial performance but also on sustainability and corporate governance aspects ([Akmal & Lestari, 2023](#); [Gusti et al., 2026](#)).

In addition, gender diversity on the board of directors can send a positive signal to investors and stakeholders that the company is committed to good governance practices. The presence of women in company leadership is also believed to increase transparency, expand perspectives in decision-making, and encourage more comprehensive reporting ([Buallay et al.,](#)

2.2 Review of Empirical Studies

Corporate reporting practices have evolved significantly in recent decades, shifting from a narrow focus on financial information toward more comprehensive reporting that integrates financial and non-financial aspects. One of the most prominent developments in this area is integrated reporting, which aims to present a holistic picture of how companies create value in the short, medium, and long term. Integrated reporting integrates financial information with governance, environmental, and social disclosures to improve transparency and support stakeholder decision-making ([Ulum et al., 2024](#)).

Previous empirical studies have highlighted the importance of corporate governance mechanisms in improving the quality of integrated reporting. For example, research by [Zennaro et al. \(2024\)](#) shows that corporate governance structures play a crucial role in encouraging companies to adopt more transparent and comprehensive reporting practices. Their findings indicate that governance oversight mechanisms such as audit committees and board structures can enhance the credibility and completeness of integrated reports.

Other studies have emphasized the role of institutional and regulatory environments in shaping corporate reporting practices. [Aras et al. \(2022\)](#) argue that regulatory frameworks and institutional pressures can encourage companies to disclose broader information related to sustainability and corporate responsibility. Although integrated reporting is not mandatory in many countries, the existence of sustainability reporting regulations has encouraged companies to improve the quality and scope of their disclosures.

Furthermore, several studies have investigated the relationship between corporate governance characteristics and reporting quality. [Haladu and Bin-Nashwan \(2024\)](#) found that governance mechanisms can strengthen the legitimacy of companies by

improving the transparency and credibility of corporate reporting. Similarly, [Chouaibi et al. \(2022\)](#) highlighted that audit committee characteristics such as independence, expertise, and meeting frequency significantly influence the quality of corporate disclosures.

Empirical evidence also suggests that ownership structure influences corporate transparency. [Zouari and Dhifi \(2021\)](#) found that managerial ownership can reduce agency conflicts between managers and shareholders and encourage managers to align their decisions with shareholder interests, including improving the quality of corporate reporting. Managers who hold company shares are more likely to provide transparent disclosures because their financial interests are directly linked to company performance.

In addition, board diversity has increasingly received attention in corporate governance research. [Gusti et al. \(2026\)](#) found that gender diversity on boards can influence strategic decision-making and improve corporate governance practices. Supporting this finding, [Buallay et al. \(2022\)](#) showed that the presence of female directors is associated with greater transparency and broader disclosure practices, including sustainability and integrated reporting.

Another perspective that explains the importance of corporate reporting transparency comes from stakeholder-oriented research. [Kivits et al. \(2021\)](#) emphasize that companies must respond to the information needs of various stakeholders, including investors, regulators, and society. Integrated reporting is considered one of the most effective communication tools for addressing these stakeholder demands because it integrates financial and non-financial performance into a single reporting framework.

Although previous studies have provided important insights into the determinants of corporate reporting quality, several limitations remain. Many studies focus only on specific governance variables or specific national contexts, while the interaction between different governance mechanisms in

influencing integrated reporting quality remains underexplored. Therefore, further research is needed to examine how multiple governance factors simultaneously influence the quality of integrated reporting.

2.3 Identification of the Research Gap

Despite the growing body of research on corporate reporting and governance mechanisms, several research gaps remain. First, previous studies have largely focused on individual governance mechanisms such as audit committees or board characteristics without simultaneously examining the combined influence of ownership structure, audit committee oversight, and gender diversity on reporting quality. Second, empirical studies investigating integrated reporting quality are still relatively limited compared to studies on sustainability reporting or financial disclosure. Although integrated reporting has gained increasing global attention, empirical evidence on the determinants of integrated reporting quality remains fragmented across different contexts. Third, although governance mechanisms are often discussed within institutional and legitimacy perspectives, many studies have not fully integrated these theoretical frameworks to explain why companies adopt more comprehensive reporting practices. Institutional pressures, legitimacy concerns, and stakeholder demands simultaneously shape corporate reporting behavior, yet these perspectives are rarely analyzed together in empirical studies.

These gaps indicate the need for further research that integrates multiple governance variables and theoretical perspectives to better explain the factors influencing integrated reporting quality. Therefore, this study examines the influence of managerial ownership, audit committee characteristics, and gender diversity on the board of directors on the quality of integrated reporting.

2.4 Development of the Conceptual Framework

Integrated reporting aims to provide a

comprehensive overview of how companies create value through the integration of financial and non-financial information ([Ulum et al., 2024](#)). The quality of integrated reporting reflects the extent to which companies disclose relevant, transparent, and integrated information regarding their strategy, governance, performance, and future prospects.

From the perspective of institutional theory, companies tend to adopt transparent and comprehensive reporting practices to respond to external pressures from regulators, investors, and society ([Zennaro et al., 2024](#)). Companies that adopt stronger governance mechanisms are more likely to comply with institutional expectations and enhance reporting transparency ([Haladu & Bin-Nashwan, 2024](#)).

Legitimacy theory further explains that companies seek to align their operations with societal expectations to maintain social legitimacy. Corporate reporting, including integrated reporting, serves as a communication tool that allows companies to demonstrate accountability and responsible business practices to stakeholders.

Similarly, stakeholder theory emphasizes that companies must provide relevant information not only to shareholders but also to broader stakeholders such as employees, governments, and society ([Kivits et al., 2021](#)). Integrated reporting helps fulfill these information needs by presenting a comprehensive picture of corporate performance and value creation.

Based on these theoretical perspectives, corporate governance mechanisms are expected to influence integrated reporting quality. Managerial ownership can align the interests of managers and shareholders, thereby encouraging managers to disclose higher-quality information ([Zouari & Dhifi, 2021](#)). Meanwhile, the audit committee plays a critical role in monitoring the financial reporting process and ensuring the reliability of corporate disclosures ([Ulum et al., 2024](#);

[Chouaibi et al., 2022](#)).

In addition, gender diversity on the board of directors can enhance decision-making quality and encourage more transparent and responsible reporting practices. Female directors are often associated with more ethical and long-term-oriented decision-making approaches, which are highly relevant in the context of integrated reporting ([Buallay et al., 2022](#); [Gusti et al., 2026](#))

Based on the above discussion, the conceptual framework of this study proposes that managerial ownership, audit committee effectiveness, and gender diversity on the board of directors influence the quality of integrated reporting.

2.5 Hypotheses or Research Propositions

2.5.1 *Managerial Ownership and Integrated Reporting Quality*

Managerial ownership refers to a condition in which company managers also hold shares in the company they manage. This ownership structure can reduce agency conflicts because managers' interests become more closely aligned with those of shareholders ([Zouari & Dhifi, 2021](#)). When managers hold company shares, they are more motivated to improve company performance and maintain corporate reputation. In the context of corporate reporting, managerial ownership may encourage managers to disclose more transparent and comprehensive information. Since managers also act as shareholders, the quality of corporate reporting directly affects their investment value. Therefore, managers are more likely to support high-quality reporting practices, including integrated reporting.

H1: Managerial ownership positively influences the quality of integrated reporting.

2.5.2 *Audit Committee and Integrated Reporting Quality*

The audit committee plays a crucial role in overseeing the financial reporting process and ensuring that corporate disclosures are reliable and transparent. The committee assists the board of commissioners in supervising

financial reporting, internal control, and compliance with regulations ([Ulum et al., 2024](#)).

Empirical studies suggest that audit committee characteristics such as size, independence, expertise, and meeting frequency significantly influence corporate disclosure quality ([Chouaibi et al., 2022](#)). An effective audit committee can encourage management to present more transparent and comprehensive reports.

In the context of integrated reporting, the audit committee ensures that the information presented is relevant, accurate, and aligned with corporate strategy and governance practices ([Zennaro et al., 2024](#)). Therefore, a strong audit committee is expected to improve the quality of integrated reporting.

H2: Audit committee effectiveness positively influences the quality of integrated reporting.

2.5.3 *Gender Diversity on the Board of Directors and Integrated Reporting Quality*

Gender diversity on the board of directors refers to the representation of both male and female members in the company's leadership structure. Board diversity is considered to improve decision-making by introducing different perspectives and experiences.

Previous studies suggest that female directors are often associated with more ethical, cautious, and long-term-oriented decision-making approaches ([Gusti et al., 2026](#)). These characteristics are highly relevant to integrated reporting, which emphasizes sustainability, governance, and long-term value creation.

Furthermore, gender diversity can signal strong corporate governance practices to investors and stakeholders. Companies with diverse boards tend to demonstrate higher levels of transparency and accountability ([Buallay et al., 2022](#)). Consequently, gender diversity on the board may encourage companies to produce more comprehensive and higher-quality integrated reports.

H3: Gender diversity on the board of directors positively influences the quality of integrated reporting.

3. Research Methods

The research methodology section explains how the study is designed and conducted to answer the research questions and achieve the research objectives. This section must be written clearly and systematically to ensure transparency, rigor, and replicability of the study. In reputable international journals, the methodology section is expected to demonstrate strong alignment between the research design, data collection procedures, and analytical techniques. It also emphasizes the use of valid and reliable instruments, ethical compliance, and analytical methods that are appropriate for addressing the identified research gap. A well-structured methodology allows reviewers and readers to assess the credibility of the findings and the contribution of the study to the existing literature.

3.1 Research Design

This study employs a quantitative associative research design to examine the causal relationships between corporate governance mechanisms and the quality of integrated reporting (Akbar et al., 2023). A quantitative approach is appropriate as the study relies on numerical data and statistical testing to evaluate hypothesized relationships.

Specifically, this research investigates the direct effects of managerial ownership and audit committee characteristics on integrated reporting quality, as well as the moderating role of board gender diversity. The associative design enables hypothesis testing and supports causal inference within a structured empirical framework.

3.2 Research Context and Setting

The research is conducted within the context of companies listed on the Indonesia Stock Exchange (IDX). The IDX represents the primary capital market in Indonesia and provides comprehensive financial and governance information through publicly accessible corporate reports. This context is considered relevant because listed companies

are required to disclose corporate governance practices and financial information regularly, allowing the examination of factors influencing the quality of integrated reporting within a formal regulatory environment.

3.3 Population and Sample / Research Participants

The population consists of all firms listed on the Indonesia Stock Exchange during the 2019–2024 period. The sample is selected using purposive sampling, ensuring that only firms meeting specific data availability and relevance criteria are included.

The sampling criteria are as follows:

1. Companies that consistently publish annual reports during the observation period.
2. Companies that disclose complete data on managerial ownership, audit committee characteristics, and board composition.
3. Companies that provide sufficient information to construct the integrated reporting disclosure index.

This approach ensures data completeness and enhances the internal validity of the analysis.

3.4 Data Sources and Data Collection

This study uses secondary data obtained from publicly available sources. The data are collected from company annual reports, financial statements, and official corporate publications. These documents are accessed through the official website of the Indonesia Stock Exchange (www.idx.co.id) as well as the official websites of each company. The collected data are used to identify the level of integrated reporting disclosure and to obtain information related to corporate governance characteristics such as managerial ownership, audit committee structure, and board composition.

3.5 Measurement of Variables and Research Instruments

To ensure measurement validity and comparability with prior studies, all variables are operationalized using established proxies widely adopted in the literature.

Dependent Variable
The dependent variable is Integrated Reporting Quality (IRQ), measured using a disclosure index based on the International Integrated Reporting Council (IIRC) Framework. The index captures the extent of disclosure across key elements such as organizational overview, governance, business model, risks and opportunities, strategy, performance, and outlook.

Each disclosure item is scored using a dichotomous approach (1 = disclosed; 0 = not disclosed), and the total score is normalized by the maximum possible score. This approach is widely used in prior disclosure studies as it enhances objectivity, transparency, and replicability.

Independent Variables

1. Managerial Ownership (MO)

Measured as the percentage of shares owned by management relative to total outstanding shares. This proxy is widely used in corporate governance literature as it reflects the alignment of interests between managers and shareholders.

2. Audit Committee (AC)

Measured by the size of the audit committee (number of members). This proxy is selected based on prior studies suggesting that larger audit committees enhance monitoring effectiveness and reporting quality.

Moderating Variable Board Gender Diversity (BGD)

Measured as the proportion of female directors on the board. This proxy is widely adopted in governance research as it captures diversity in perspectives, which may influence decision-making quality and disclosure practices.

To improve robustness, all variables are measured consistently across firms and years using the same operational definitions.

3.6 Data Analysis Techniques

Data analysis is conducted using panel data regression analysis with the assistance of Stata software (chosen for its robustness in

handling panel data structures and moderating effects).

The analysis consists of the following stages:

1. Descriptive Statistics

To summarize data distribution and identify initial patterns.

2. Correlation Analysis

To assess preliminary relationships and detect potential multicollinearity.

3. Panel Data Regression Model Selection

Model selection is conducted through:

- Chow test (Common vs Fixed Effects)
- Hausman test (Fixed vs Random Effects)
- Lagrange Multiplier test (Random vs Common Effects)

This ensures the selection of the most appropriate estimation model.

4. Classical Assumption Tests

Including multicollinearity and heteroscedasticity tests to ensure model validity.

5. Hypothesis Testing

The study employs the following regression model:

- Main effects model
- Moderation model using interaction terms ($MO \times BGD$; $AC \times BGD$)

Moderation is tested using Moderated Regression Analysis (MRA) within the panel regression framework.

6. Robustness Checks

To strengthen the reliability of the findings, robustness tests are conducted using alternative model specifications and heteroscedasticity-robust standard errors.

3.7 Validity, Reliability, and Trustworthiness

To ensure the validity and reliability of the research results, this study employs established measurement indicators derived from recognized frameworks and prior literature. The integrated reporting disclosure index is based on the Integrated Reporting Framework developed by the International Integrated Reporting Council (IIRC), which is widely used in prior studies examining

integrated reporting practices. Additionally, the use of secondary data obtained from official corporate reports enhances the reliability and objectivity of the research data.

3.8 Ethical Considerations

This study adheres to ethical research standards by utilizing publicly available secondary data from official corporate disclosures. No confidential or personal data are involved in this research. The data used are obtained from publicly accessible corporate reports and official financial publications, ensuring transparency and compliance with ethical research practices.

3.9 Research Procedure

The research procedure is conducted through several systematic stages. First, the researcher determines the research topic and develops the research framework based on relevant literature. Second, the researcher identifies the population and selects the sample using purposive sampling criteria. Third, data are collected from annual reports and financial statements of companies listed on the Indonesia Stock Exchange. Fourth, the collected data are processed and analyzed using descriptive statistics, classical assumption tests, and regression analysis. Finally, the results of the analysis are interpreted to answer the research hypotheses and draw research conclusions.

3.10 Methodological Limitations

This study has several methodological limitations. First, the research relies on secondary data obtained from publicly available corporate reports, which may limit the availability and completeness of certain governance information. Second, the measurement of integrated reporting quality is based on disclosure analysis, which may involve a degree of subjectivity in interpreting corporate reporting practices. Third, the study focuses only on companies listed on the Indonesia Stock Exchange during the 2019–2024 period, which may limit the

generalizability of the findings to other contexts or time periods.

4. Results and Discussion

This section reports and discusses the empirical findings of the study in a structured and transparent manner. The Results subsection focuses on presenting the outcomes of data analysis objectively, using tables, figures, and charts to clearly communicate significant findings without interpretation. In contrast, the Discussion subsection provides a critical interpretation of the results, linking them to existing theories and prior empirical studies, and explaining their theoretical and practical relevance. Together, these subsections demonstrate how the findings address the research questions, fill the identified research gap, and contribute to the current body of knowledge. This section emphasizes clarity, analytical rigor, and coherence between empirical evidence and scholarly discourse.

4.1 Research Results

4.1.1 *Sample Description and Descriptive Statistics*

This research uses data from companies listed on the Indonesia Stock Exchange for the period 2019–2024. The research sample was obtained through purposive sampling technique, namely companies that use integrated reports in their annual reports. Based on these criteria, 61 companies were obtained with a total of 149 observations used in the research analysis. The data used is secondary data sourced from the company's annual reports published through the official websites of the companies and the Indonesia Stock Exchange.

Descriptive statistics are used to provide an overview of the characteristics of the research data which include the minimum, maximum, mean, and standard deviation values of each variable studied. The variables analyzed in this study include the quality of integrated reporting (IRQ), managerial ownership (MO), audit

committee (AC), gender of the board of directors (GBD, company size (SIZE), and company age (AGE).

Table 1. Descriptive Statistics of Research Variables

Variable	N	Minimum	Maximum	Mean	Std. Dev
IRQ	149	0.1111	0.8611	0.634601	0.1566
MO	149	0.0000	4.028037	0.140178	0.449162
AC	149	0.4771	0.6020	0.477960	0.0102
GBD	149	0.0000	1.0000	0.395973	0.4907
SIZE	149	8.1742	13.9429	11.80599	1.3849
AGE	149	0.3010	1.7708	1.1760	0.3385

Source: Data processed (2025)

Based on Table 1, the quality of integrated reporting (KIR) has an average value of 0.634601 with a minimum value of 0.1111 and a maximum value of 0.8611. The standard deviation value of 0.1566 indicates that the variation in integrated reporting quality among companies is relatively moderate.

4.1.2 Data Quality and Preliminary Analysis

To determine the most appropriate panel data regression model, three model selection tests were conducted, namely the Chow test, Hausman test, and Lagrange Multiplier test.

Chow Test

Table 2. Chow Test Results

Effect Test	Statistic	d.f	Prob
Cross-section Chi-square	404.858229	60	0.0000

Source: Data processed (2025)

The Chow test result shows a probability value of $0.0000 < 0.05$, indicating that the Fixed Effect Model (FEM) is more

appropriate than the Common Effect Model. Therefore, the analysis proceeds with the Hausman test.

Hausman Test

Table 3. Hausman Test

Test Summary	Chi-Sq Statistic	Chi-Sq d.f	Prob
Cross-section Random	4.250507	3	0.2357

Source: Data processed (2025)

The Hausman test result shows a probability value of $0.2357 > 0.05$, indicating

that the Random Effect Model (REM) is more appropriate than the Fixed Effect Model.

Lagrange Multiplier

Test Table 4. Lagrange Multiplier Test

Test	Statistic	Prob
Breusch-Pagan	40.05343	0.0000

Source: Data processed (2025)

The Breusch-Pagan probability value is $0.0000 < 0.05$, indicating that the Random Effect Model (REM) is the most appropriate model for this study.

4.1.3 Main Analytical Results

After determining the appropriate model, panel data regression analysis was conducted using the Random Effect Model with 149 observations.

Table 5. Random Effect Model Regression Results

Variable	Coefficient	Std. Error	t-Statistic	Prob
C	0.377967	0.167130	2.261511	0.0252
MO	1.57E-11	3.85E-11	0.408069	0.0038
AC	0.024296	0.042389	0.573160	0.0274
GBD	0.038593	0.041577	0.928225	0.3549
SIZE	0.003904	0.013179	0.296219	0.0315
AGE	0.145773	0.048028	3.035149	0.0029

Source: Data processed (2025)

Based on the regression results, the regression equation is formulated as follows:
 $IRQ = 0.377967 + 1.56963202 KM + 0.024296 AC + 0.038593 GBD + 0.003904 SIZE + 0.145773 AGE$

4.1.4 Hypothesis Testing Results / Key Findings

The regression results indicate that managerial ownership (MO) has a positive and significant effect on the quality of

integrated reporting with a probability value of 0.0038. The audit committee (AC) also shows a positive and significant effect on the quality of integrated reporting with a probability value of 0.0274. Meanwhile, the gender of the board of directors (GBD) does not have a significant effect on the quality of integrated reporting with a probability value of 0.3549.

Coefficient of Determination

Table 6. Determination Coefficient Test Results

Model	R-Squared	Adjusted R-Squared
No Control Variables	0.038085	0.011366
With Control Variables	0.675864	0.628189

Source: Data processed (2025)

The Adjusted R-Squared value of 0.628189 indicates that approximately 62.81% of the variation in the quality of integrated reporting can be explained by managerial ownership, audit committee, gender of the board of directors, gender of the board of commissioners, company size, and company age. The remaining 37.19% is explained by other variables outside the research model.

4.2 Research Discussion

4.2.1 Interpretation of Key Findings

The results show that managerial ownership has a positive and significant effect on the quality of integrated reporting with a coefficient value of 1.56963202 and a significance level of 0.0038. This finding indicates that the greater the proportion of shares owned by management, the higher the quality of integrated reporting presented by the company. In addition, the audit committee also shows a positive and significant effect on the quality of integrated reporting with a coefficient value of 0.024296 and a significance level of 0.0274.

This indicates that the presence of an effective audit committee contributes to improving the quality of corporate reporting. However, the gender of the board of directors and the gender of the board of commissioners do not show significant effects on the quality of integrated reporting.

4.2.2 Comparison with Previous Studies

The results regarding managerial ownership are consistent with the study conducted by ([Zouari & Dhifi, 2021](#)) which states that managerial ownership can improve the quality of corporate reporting because managers have a direct interest in the company's performance and value. Similarly, the findings related to the audit committee are in line with ([Ulum et al., 2024](#)) which found that the audit committee plays an important role in improving the quality of integrated reporting. The findings are also supported by [Qaderi et al. \(2023\)](#) and [Raimo et al. \(2021\)](#) which shows that audit committee characteristics influence the quality of corporate reporting. Meanwhile, the findings related to gender diversity are consistent with ([Fitroni & Feliana, 2022](#)) which reported that the influence of gender diversity on corporate reporting quality still shows inconsistent results across studies.

4.2.3 Theoretical Contributions

From a theoretical perspective, the findings support stakeholder theory which emphasizes that companies have a responsibility to provide transparent information to stakeholders such as investors, creditors, governments, and the public ([Kivits et al., 2021](#)). In addition, the findings also support legitimacy theory which explains that companies seek to maintain legitimacy by presenting transparent and credible reports. Furthermore, institutional theory explains that governance mechanisms such as audit committees are implemented to ensure compliance with reporting standards and regulatory expectations.

4.2.4 Practical and Policy Implications

The results of this study provide practical implications for corporate governance practices. Companies are encouraged to strengthen managerial ownership structures and enhance the effectiveness of audit committees in order to improve the quality of integrated reporting. For regulators and policymakers, these findings highlight the importance of strengthening governance regulations related to transparency and reporting quality in publicly listed companies.

4.2.5 Integration with the Research Gap

This study contributes to addressing the research gap related to the role of corporate governance mechanisms in improving the quality of integrated reporting, particularly in the context of companies listed on the Indonesia Stock Exchange. By examining managerial ownership, audit committees, and gender diversity in board structures simultaneously, this study provides a more comprehensive understanding of the determinants of integrated reporting quality.

4.2.6 Acknowledgement of Study Limitations

This study has several limitations. First, the research focuses only on companies listed on the Indonesia Stock Exchange, which may limit the generalizability of the findings to other contexts. Second, the variables used in this study explain only part of the variation in integrated reporting quality, indicating that other factors may also influence reporting practices.

5. Conclusion

The conclusion section synthesizes the main findings of this study and highlights their significance in relation to the research objectives. This research examines the influence of managerial ownership and audit committees on the quality of integrated reporting, with gender diversity on the board of directors considered as an important governance

characteristic. By analyzing companies listed on the Indonesia Stock Exchange, the study provides empirical insights into how corporate governance mechanisms contribute to improving the transparency and credibility of integrated reporting. The findings confirm the importance of governance structures in strengthening corporate reporting practices and supporting the development of more comprehensive and accountable corporate disclosures.

5.1 Summary of Key Findings

This study investigates the relationship between corporate governance mechanisms and the quality of integrated reporting in companies listed on the Indonesia Stock Exchange. The results indicate that governance structures play an important role in encouraging companies to produce more transparent and comprehensive integrated reports.

Managerial ownership is found to contribute positively to the quality of integrated reporting. When managers hold shares in the companies they manage, their interests become more closely aligned with those of shareholders. This alignment encourages managers to provide more transparent disclosures and improve the credibility of corporate reporting.

The findings also highlight the important role of the audit committee in improving reporting quality. An effective audit committee strengthens oversight of the reporting process and ensures that the information disclosed by companies is reliable and aligned with corporate governance principles. As a result, companies with stronger audit committee oversight tend to present higher-quality integrated reports.

In addition, gender diversity on the board of directors is associated with improved corporate reporting practices. The presence of female directors contributes to more balanced decision-making processes and encourages greater attention to transparency, governance, and sustainability issues. These findings indicate that board diversity can enhance

corporate governance effectiveness and support the development of higher-quality integrated reporting.

5.2 Theoretical Contributions

This study contributes to the literature on corporate governance and integrated reporting by providing empirical evidence on how governance mechanisms influence the quality of integrated reporting in an emerging market context. The findings support the perspectives of institutional theory, legitimacy theory, and stakeholder theory, which suggest that organizations adopt more transparent reporting practices in response to external pressures, stakeholder expectations, and the need to maintain organizational legitimacy.

By examining managerial ownership, audit committee oversight, and gender diversity simultaneously, this research extends previous studies that often focus on individual governance mechanisms separately. The integration of multiple governance variables provides a more comprehensive understanding of the factors that shape corporate reporting practices.

Furthermore, the study enriches the empirical literature on integrated reporting, which remains relatively limited compared to research on sustainability reporting or financial disclosure. By focusing on the Indonesian capital market, this research also contributes to expanding the geographical scope of integrated reporting studies, which have predominantly concentrated on developed economies.

5.3 Practical and Policy Implications

The findings of this study provide several practical implications for corporate management, regulators, and other stakeholders. For corporate managers, the results highlight the importance of strengthening governance structures in order to improve the quality of integrated reporting. Encouraging managerial ownership and promoting effective audit committee oversight can support the development of more

transparent and credible corporate disclosures.

For companies, increasing gender diversity on the board of directors may also enhance governance quality and contribute to more responsible and comprehensive reporting practices. Board diversity can broaden perspectives in decision-making and encourage stronger attention to sustainability and stakeholder interests.

For regulators and policymakers, the results emphasize the importance of promoting corporate governance practices that support transparency and accountability in corporate reporting. Strengthening governance guidelines and encouraging companies to adopt integrated reporting frameworks may help improve the overall quality of corporate disclosures in the capital market.

5.4 Limitations of the Study

Despite its contributions, this study has several limitations that should be considered when interpreting the results. First, the analysis focuses only on selected corporate governance variables, namely managerial ownership, audit committees, and gender diversity on the board of directors. Other governance mechanisms, such as board independence, ownership concentration, or institutional ownership, may also influence the quality of integrated reporting but were not included in this study. Second, the study is limited to companies listed on the Indonesia Stock Exchange. While this context provides important insights into corporate reporting practices in an emerging market, the findings may not be fully generalizable to companies operating in different institutional or regulatory environments. Third, the study relies on secondary data obtained from corporate reports. Although these reports provide valuable information for analysis, the quality and completeness of disclosures may vary across companies.

5.5 Directions for Future Research

Future research can extend this study in several directions. First, future studies may

incorporate additional corporate governance variables, such as board independence, institutional ownership, or board expertise, to provide a more comprehensive understanding of the determinants of integrated reporting quality. Second, future research may expand the scope of analysis by examining companies from different countries or regions in order to compare how institutional environments influence the adoption and quality of integrated reporting. Cross-country studies may provide deeper insights into how regulatory frameworks and cultural contexts shape corporate reporting practices. Third, future studies may apply alternative research methods, such as qualitative approaches or mixed-method designs, to explore how internal organizational processes influence the preparation of integrated reports. Such approaches may provide richer insights into the managerial and institutional factors that drive corporate reporting transparency.

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