



# Evaluating the Impact of the Governmental Civilization-Oriented Structure on the Reporting Integrity of Companies Listed on the Tehran Stock Exchange

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## Abstract

Reporting integrity is considered one of the principal pillars of transparency and accountability in economic systems. The governmental civilization-oriented structure, through establishing supervisory, ethical, and control frameworks, can play a significant role in strengthening or weakening such integrity. Therefore, examining the impact of this governmental civilization-oriented mechanism on improving reporting integrity constitutes the primary objective of the present study. This study was conducted using a mixed-methods approach. The reporting integrity variable, through content evaluation of similar studies, provided the basis for developing a researcher-made questionnaire. By integrating this questionnaire with the standard questionnaire of governmental civilization-oriented structure, the research hypothesis was tested using structural equation modeling. The results of the hypothesis testing confirmed that the governmental civilization-oriented structure has a positive and significant effect on reporting integrity. This finding implies that, under the expansion of values derived from adherence to ethical principles in safeguarding stakeholders' rights as the foundation of governmental civilization-orientation, the reliability capabilities of information disclosure within the framework of financial reporting can be enhanced in the capital market.

**Keywords:** *Governmental Civilization-Orientation, Reporting Integrity, Ethical Safeguardability*

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## 1. Introduction

The increasing complexity of contemporary economic systems, together with the expansion of global capital markets, has intensified the demand for transparent, reliable, and comprehensive reporting frameworks capable of reflecting the multidimensional realities of organizational performance. Traditional financial reporting systems, despite their historical significance in accounting and corporate governance, are increasingly criticized for their inability to provide sufficient information regarding environmental, social, strategic, governance, and sustainability-related dimensions of organizational activities [1, 2]. Investors, regulators, creditors, and other stakeholders no longer evaluate companies solely on the basis of short-term financial profitability; rather, they seek integrated

information regarding long-term value creation, ethical responsibility, strategic sustainability, governance quality, and risk management capabilities [3, 4]. Consequently, integrated reporting has emerged as a strategic response to the limitations of conventional reporting systems and as an advanced framework for enhancing the transparency and accountability of corporations operating in competitive financial markets [5, 6].

Integrated reporting represents a comprehensive reporting philosophy that combines financial and non-financial information within a unified framework to provide a holistic understanding of organizational value creation processes over time [7]. Unlike fragmented reporting systems that separate sustainability disclosures from financial statements, integrated reporting seeks to connect governance structures, organizational strategies, operational



performance, environmental impacts, intellectual capital, and future outlooks into a coherent reporting architecture [8, 9]. The International Integrated Reporting Framework has emphasized that integrated reporting should not merely be considered an additional disclosure instrument but rather a transformational mechanism capable of reshaping organizational thinking and strategic decision-making processes [2]. In this regard, organizations implementing integrated reporting frameworks often demonstrate stronger strategic alignment, enhanced stakeholder communication, improved risk disclosure, and greater consistency between operational activities and long-term sustainability objectives [10, 11].

Recent empirical studies have highlighted the growing significance of integrated reporting in improving capital market efficiency and reducing information asymmetry. Evidence suggests that high-quality integrated reporting contributes to stronger market confidence, more accurate stock valuation, and improved financing opportunities [12, 13]. Moreover, integrated reporting has been associated with enhanced firm value, especially in environments characterized by strong governance mechanisms and executive integrity [14]. Research conducted in North America demonstrated that integrated reporting possesses significant value relevance for investors because it improves the interpretability and reliability of corporate disclosures [15]. Similarly, studies conducted in emerging economies have indicated that integrated reporting can reduce uncertainty among stakeholders and strengthen market legitimacy by increasing transparency concerning strategic risks and sustainability-related activities [16, 17]. These findings collectively suggest that integrated reporting is evolving from a voluntary reporting practice into a strategic institutional necessity for corporations seeking legitimacy and competitive advantage in modern financial markets.

Despite the growing adoption of integrated reporting across international corporations, substantial theoretical and practical challenges remain regarding the determinants of reporting quality and integrity. One of the most important unresolved issues concerns the role of governance structures and civilizational values in shaping reporting behavior and disclosure quality. In many developing economies, reporting systems continue to suffer from fragmented disclosures, weak governance oversight, insufficient ethical accountability, and inconsistent transparency practices [18, 19]. Such deficiencies reduce the reliability of financial information and undermine stakeholder trust in corporate reporting systems. Accordingly, scholars increasingly argue

that the effectiveness of integrated reporting cannot be fully understood without considering the broader institutional, cultural, ethical, and governance environments within which organizations operate [20, 21]. This perspective has encouraged researchers to explore integrated reporting not merely as a technical accounting mechanism but as a governance-oriented and civilization-based phenomenon influenced by ethical norms, institutional values, and organizational culture.

The concept of civilization-oriented governance has emerged as an important analytical framework for understanding how ethical, institutional, and governance structures shape organizational behavior and public accountability. Civilization-oriented governance refers to governance systems grounded in ethical legitimacy, institutional responsibility, stakeholder protection, and sustainable societal development [22, 23]. Such governance structures emphasize the integration of moral values, transparency, social responsibility, and institutional coherence within administrative and economic systems. In organizational contexts, civilization-oriented governance seeks to create sustainable and ethically accountable structures capable of balancing profitability with broader societal obligations [24]. Studies focusing on organizational civilization in public institutions have shown that governance systems characterized by ethical orientation, institutional coherence, and stakeholder-centered management can significantly improve organizational transparency and legitimacy [25]. Furthermore, future-oriented approaches to civilization-building emphasize that governance systems must increasingly align strategic development with ethical accountability and sustainability objectives in order to remain socially legitimate and economically resilient [26, 27].

From this perspective, governmental civilization-orientation can be regarded as a multidimensional governance structure encompassing institutional structuralism, governance protectionism, and governance citizenship. Governance structuralism refers to the establishment of coherent institutional arrangements, specialized managerial systems, and structurally integrated governance mechanisms capable of ensuring accountability and strategic coordination. Governance protectionism emphasizes the institutional safeguarding of stakeholder rights, compliance requirements, and governance monitoring systems, while governance citizenship focuses on ethical commitment, minority rights protection, and social responsibility within governance processes [22].

These dimensions collectively contribute to the development of governance environments that encourage ethical disclosure behavior, transparent communication, and reliable reporting practices. Consequently, civilization-oriented governance structures may significantly influence the quality and integrity of integrated reporting by shaping organizational disclosure culture and ethical accountability mechanisms.

The relationship between governance quality and reporting quality has received considerable attention in accounting and corporate governance research. Prior studies have demonstrated that governance mechanisms influence disclosure comprehensiveness, financial reporting reliability, and stakeholder confidence [1, 28]. Ethical leadership and authenticity have also been identified as essential drivers of reporting quality because they promote transparency, trustworthiness, and consistency in financial communication processes [29]. Moreover, integrated reporting quality has been found to depend heavily on institutional interactions, stakeholder engagement, and governance policy development [20]. Empirical investigations further indicate that companies adopting integrated reporting frameworks under strong governance systems tend to disclose more strategic and future-oriented information, particularly regarding opportunities, risks, governance structures, and sustainability performance [8, 30]. In contrast, weak governance systems often result in symbolic disclosures, reporting fragmentation, and superficial sustainability communication practices [2].

Another important issue concerns the strategic implications of integrated reporting for organizational performance and capital market development. Integrated reporting is increasingly viewed as a mechanism capable of enhancing investment attractiveness, facilitating access to financing, and improving capital allocation efficiency [3, 4]. Firms adopting integrated reporting frameworks often experience stronger market responsiveness because investors perceive integrated reports as signals of organizational transparency and strategic maturity [15]. Additionally, integrated reporting can reduce agency costs by improving information quality and strengthening monitoring processes among shareholders, executives, and other stakeholders [19]. This issue is particularly important in emerging capital markets, where information asymmetry and governance deficiencies frequently undermine investor confidence and market efficiency. In the Iranian capital market, concerns regarding reporting transparency, disclosure quality, and governance effectiveness continue to

represent major institutional challenges [18, 31]. Therefore, examining the role of governmental civilization-orientation in enhancing integrated reporting integrity may provide important insights into the development of transparent and sustainable reporting systems within the Tehran Stock Exchange.

The academic literature on integrated reporting has expanded considerably in recent years, covering issues such as reporting quality, business model disclosure, textual risk communication, sustainability integration, and market reactions [10, 32]. Bibliometric and systematic review studies have also emphasized the increasing theoretical diversification of integrated reporting research while simultaneously identifying persistent gaps concerning contextual determinants and governance-related influences [6, 9]. Although many studies have explored the association between integrated reporting and firm value, financing decisions, information asymmetry, or sustainability disclosures, relatively limited attention has been directed toward the influence of civilization-oriented governance structures on integrated reporting integrity, particularly within emerging economies and Middle Eastern capital markets [12, 14]. Furthermore, prior research has often focused on isolated governance mechanisms rather than examining governance as a comprehensive ethical and institutional civilization-oriented system.

In addition, the practical implementation of integrated reporting continues to face methodological and conceptual difficulties. Researchers have noted inconsistencies in disclosure practices, varying interpretations of reporting standards, and the absence of universally accepted integrated reporting measurement tools [9, 33]. Some studies argue that integrated reporting risks becoming a symbolic reporting façade if organizations fail to establish genuine governance commitment and ethical accountability structures [2]. Others emphasize that reporting quality depends significantly on managerial motivations, stakeholder pressures, and institutional legitimacy mechanisms [20, 34]. These concerns highlight the importance of identifying deeper governance-related determinants capable of strengthening the integrity and practical effectiveness of integrated reporting systems.

The present study contributes to this evolving body of literature by integrating the concepts of governmental civilization-orientation and integrated reporting integrity within the context of companies listed on the Tehran Stock Exchange. Unlike prior studies that primarily examined integrated reporting from technical or financial perspectives,

this research approaches integrated reporting as a civilization-oriented governance phenomenon influenced by ethical structures, institutional protection mechanisms, governance citizenship, and organizational accountability processes. Through combining qualitative systematic review methods with quantitative structural equation modeling, the study seeks to identify the contextual dimensions of integrated reporting and empirically evaluate the impact of governmental civilization-orientation on reporting integrity within Iranian capital market companies. Therefore, the aim of this study is to evaluate the effect of governmental civilization-orientation structures on the integrity of integrated reporting among companies listed on the Tehran Stock Exchange.

## 2. Methodology

The present study was conducted using a mixed-methods research design. From the perspective of research outcomes, the study is considered developmental because it seeks to establish a theoretical framework for identifying the dimensions of integrated reporting as the endogenous variable of the study through reliance on qualitative evaluation approaches. Due to the absence of theoretical coherence regarding concepts and theories associated with integrated reporting, the study attempted to expand the contextual dimensions involved in the cognitive reconstruction of the nature of integrated reporting within companies operating in the capital market. In this regard, the research first aimed to create conceptual consistency concerning the dimensions of integrated reporting and subsequently sought to empirically examine the effect of governmental civilization-orientation on integrated reporting through partial least squares structural equation modeling (PLS-SEM). From the standpoint of objective typology, the study is classified as descriptive research because it linked the dimensions identified in the qualitative phase with the applied and quantitative phase in order to describe the influential functions of governmental civilization-orientation on the identified dimensions of integrated reporting and thereby provide a coherent understanding for the development of competitive strategies. In terms of data type, the study falls within the category of mixed-methods research. Initially, textual data were analyzed through the PRISMA approach using an inductive perspective in order to identify concepts related to the dimensions of integrated reporting. Subsequently, the quantitative phase employed partial least squares analysis to

test the research hypothesis. The study was cross-sectional in terms of data collection and used correlation and path analysis to examine the hypothesized relationships among variables.

The qualitative section of the study involved academic experts specializing in accounting and integrated reporting. The target participants were selected because of their advanced theoretical and practical knowledge regarding integrated reporting approaches and related financial theories. Since studies with screening and exploratory approaches require participants capable of contributing to the conceptual development of phenomena lacking sufficient theoretical coherence, accounting professors constituted the expert panel of the qualitative phase. Three criteria were considered essential for participant selection. First, the selected academics were required to possess substantial theoretical familiarity with the phenomenon through teaching experience in subjects such as advanced financial theories and management accounting theories. Second, they were expected to have strong scientific and research backgrounds, including authorship or translation of academic books, conference presentations, workshops, and publications in reputable domestic and international journals. Third, the participants needed to demonstrate sufficient motivation and readiness for collaboration through prior coordination and review of the research briefing materials provided by the investigators. Based on homogeneous purposive sampling, fourteen university experts were selected for participation. The expert panel consisted entirely of PhD holders in accounting affiliated with major Iranian universities, including the University of Rasht, Kharazmi University, University of Mazandaran, Tarbiat Modares University, Ferdowsi University of Mashhad, Shahid Beheshti University, Alzahra University, and several branches of Islamic Azad University. Their ages ranged from 41 to 53 years, and both male and female academics participated in the study.

In addition to expert participation, the qualitative phase also involved content screening and text-mining analysis of studies indexed in several scientific databases and repositories, including the Scientific Information Database (SID), Magiran, Noor Specialized Journals Database (NoorMags), ScienceDirect, Emerald Insight, and Wiley Online Library. These sources were used to identify studies related to integrated reporting and governmental civilization-oriented structures.

The quantitative phase included all companies listed on the Tehran Stock Exchange during the 2024–2025 fiscal

years. The sample consisted of companies that met several inclusion criteria. Eligible companies were required to maintain continuous membership in the Tehran Stock Exchange throughout 2025, avoid changes in fiscal year or operational activity during the study period, and not belong to investment or financial intermediation industries because of their fundamentally different operational structures. After applying these restrictions, 139 companies were selected as the initial sample. Questionnaires were distributed to senior executives of these companies, including chief executive officers, board members, financial managers, human resource managers, and information technology managers. Following repeated follow-up procedures, 108 completed questionnaires were returned and considered suitable for final analysis.

Governmental civilization-orientation was considered the exogenous variable of the study and was measured using the questionnaire developed by Bingatu (2015). The instrument consisted of six items measured on a five-point Likert scale ranging from “strongly disagree” with one point to “strongly agree” with five points. The questionnaire evaluated three major dimensions of governmental civilization-orientation, including governmental structuralism, governmental protectionism, and governmental citizenship orientation. Governmental structuralism examined the extent to which board specialization and diversity contribute to the meaningful realization of civilization-oriented governance. Governmental protectionism evaluated institutional requirements and governance performance assessments in supporting civilization-oriented structures. Governmental citizenship orientation focused on ethical values in governance and adherence to minority shareholders’ rights within governance frameworks. The questionnaire has been widely used in governance-related studies and demonstrates acceptable levels of validity and reliability in previous research.

Integrated reporting integrity was considered the endogenous variable of the study and was assessed through a researcher-developed checklist derived from the PRISMA screening process and integrated reporting frameworks proposed by the International Integrated Reporting Council (IIRC, 2013). The Integrated Reporting Score represented a composite measure of the information disclosed by companies within the framework of integrated reporting. Eight principal dimensions of integrated reporting were identified, including organizational overview and external environment, strategy and resource allocation, business model, governance, opportunities and risks, competitive

performance, future outlook, and preparation and presentation. For each dimension, five evaluative statements were designed to assess the comprehensiveness and quality of disclosure according to the principles established by the International Integrated Reporting Council.

Each statement was scored using a scale ranging from zero to five, where zero represented noncompliance with integrated reporting principles and five indicated strong compliance with integrated reporting standards. Accordingly, the minimum score for each content dimension was zero, whereas the maximum attainable score was 25. The overall integrated reporting score ranged from 0 to 200. To standardize the data and increase comparability among firms, the total score for each company was divided by the maximum possible score of 200, thereby producing a standardized ratio between zero and one. Scores closer to one indicated a higher level of integrated reporting development.

To measure this variable, the researchers reviewed accompanying financial statement reports, including management discussion and analysis reports and board reports. The textual content of these reports was systematically matched against the evaluative questions associated with each integrated reporting dimension. The checklist assessed several disclosure areas, including disclosure of organizational mission and vision, environmental reporting, intellectual property and intangible assets, competitive positioning, strategic objectives, resource allocation policies, business ecosystem and innovation, governance structures, risk disclosures, internal control weaknesses, future investment opportunities, financial performance indicators, market development strategies, production infrastructure development, environmental sustainability initiatives, accounting policy changes, and continuous board oversight. The researcher-developed checklist was reviewed by academic experts to ensure content validity and conceptual appropriateness prior to implementation.

Data analysis in the qualitative phase was conducted through the PRISMA approach and inductive content analysis. Relevant textual sources and prior studies were systematically screened, categorized, and analyzed in order to identify the conceptual dimensions of integrated reporting. The qualitative findings provided the theoretical foundation for the development of the integrated reporting checklist and the structural framework of the study.

In the quantitative phase, the research hypothesis was tested using structural equation modeling based on the

partial least squares approach (PLS-SEM). The SmartPLS software package was utilized for statistical estimation and hypothesis testing. The analytical process involved several sequential stages. Initially, the measurement model was evaluated by examining the reliability and validity of the constructs. Reliability was assessed using internal consistency indicators, while convergent and discriminant validity were evaluated through standard PLS criteria. Subsequently, the structural model was assessed by examining path coefficients, coefficients of determination, predictive relevance, and overall model fit indices. Finally, the significance of the hypothesized relationship between governmental civilization-orientation and integrated reporting integrity was examined through bootstrapping procedures and path analysis.

### 3. Findings and Results

The findings were organized into two complementary parts in accordance with the mixed-methods design of the study. The qualitative part was based on the systematic review and PRISMA screening process used to reconstruct the contextual dimensions of integrated reporting, while the quantitative part examined the effect of governmental civilization-orientation on integrated reporting integrity using PLS-SEM. In the qualitative phase, the PRISMA protocol was used to identify the most relevant dimensions of integrated reporting through international sustainability and integrated reporting references, selected corporate reporting practices, and related studies published between 2020 and 2025. International companies such as L'Oréal Group, 3M, Sony Group, General Electric, Johnson & Johnson, Hitachi, IKEA, Microsoft, Philips, Apple, Samsung Electronics, Panasonic, IBM, Toyota, Nestlé,

ABB, Unilever, PepsiCo, Siemens, and Schneider Electric were reviewed in terms of their dominant disclosure practices. The extracted disclosure areas included corporate governance, strategic outlook, opportunities and risks, business model details, competitive strategies, human resource performance, board interpretive reports, environmental outlook, value chain disclosure, resource allocation, and market positioning. These cases were then compared with international reporting references, including GRI, ESRS, IFRS-related sustainability reporting orientations, SDGs, and the 2024 KPMG reporting review, in order to strengthen the content validity of the extracted dimensions.

In the second PRISMA stage, systematic review protocols were developed using ScienceDirect, Emerald, and Taylor & Francis. The search was limited to finance and accounting journals, empirical studies, content analysis studies, and text-mining-based studies published from 2020 to 2025. Keywords included integrated reporting, voluntary reporting, financial transparency, accounting disclosure tools, and sustainability strategies reporting. Books, editorial notes, and review articles were excluded. In the third stage, 17 studies were initially screened based on title, content, and analytical relevance. Six studies were excluded because they received two negative assessments across these three screening criteria, and 11 studies entered the CASP-based critical appraisal stage. In the fourth stage, the 11 studies were evaluated using a 10-criterion CASP checklist, including research aim, design, analysis, methodology, sampling, data collection, generalizability, ethical considerations, theoretical richness, and practical value. Four studies scoring below 30 were removed, and seven studies scoring 30 or higher were retained for final text mining.

**Table 1.** Final Text-Mining Results for Identifying Integrated Reporting Evaluation Criteria

Extracted disclosure criterion	Frequency score across seven approved studies	Final status
Organizational unit disclosure	5	Accepted
Legal aspects disclosure	3	Not retained as a main dimension
Strategy disclosure	7	Accepted
Social responsibility disclosure	2	Not retained as a main dimension
Business model disclosure	5	Accepted
Support for small and medium-sized units	2	Not retained as a main dimension
Governance disclosure	5	Accepted
Competitive performance disclosure	5	Accepted
Energy disclosure	3	Not retained as a main dimension
Environmental issues disclosure	2	Not retained as a main dimension
Future outlook disclosure	5	Accepted
Preparation and presentation disclosure	5	Accepted
Human resource performance disclosure	2	Not retained as a main dimension
Market opportunities and risks disclosure	6	Accepted

As shown in Table 1, eight final criteria were retained for measuring integrated reporting: organizational unit, strategies, business model, governance, opportunities and risks, competitive performance, future outlook, and preparation and presentation. These criteria formed the basis of the researcher-developed integrated reporting checklist used in the quantitative phase.

In the quantitative phase, the measurement and structural models were evaluated using PLS-SEM. First, the factor loadings of the observed indicators were examined. The acceptable threshold for factor loadings was 0.40, and all reported factor loadings exceeded this threshold. Therefore, the indicator-level reliability of the measurement model was confirmed.

**Table 2.** Factor Loadings of the Measurement Model

Construct	Indicator	Factor loading
Governmental civilization-orientation	GS	0.807
Governmental civilization-orientation	GP	0.835
Governmental civilization-orientation	GC	0.821
Governmental structuralism	GS1	0.888
Governmental structuralism	GS2	0.892
Governmental protectionism	GP3	0.911
Governmental protectionism	GP4	0.935
Governmental citizenship orientation	GC5	0.944
Governmental citizenship orientation	GC6	0.932
Integrated reporting	OU	0.734
Integrated reporting	ST	0.670
Integrated reporting	BM	0.693
Integrated reporting	GD	0.859
Integrated reporting	OR	0.782
Integrated reporting	CP	0.770
Integrated reporting	PE	0.656
Integrated reporting	PR	0.753
Organizational unit	OU1–OU5	0.811–0.879
Strategies	ST7–ST12	0.753–0.960
Business model	BM13–BM16	0.813–0.902
Governance	GG17–GG21	0.781–0.942
Opportunities and risks	OR22–OR26	0.825–0.915
Competitive performance	CP27–CP31	0.692–0.816
Future outlook	PE32–PE36	0.841–0.908
Preparation and presentation	PR37–PR40	0.867–0.931

After confirming factor loadings, Cronbach’s alpha, composite reliability, and average variance extracted were assessed. Since all Cronbach’s alpha and composite

reliability values were above 0.70 and all AVE values were above 0.50, the reliability and convergent validity of the constructs were confirmed.

**Table 3.** Reliability and Convergent Validity of Latent Variables

Latent variable	Abbreviation	Cronbach’s alpha	Composite reliability	AVE
Governmental civilization-orientation	CGC	0.759	0.861	0.674
Governmental structuralism	GS	0.738	0.884	0.792
Governmental protectionism	GP	0.828	0.920	0.852
Governmental citizenship orientation	GC	0.916	0.938	0.752
Integrated reporting	IRF	0.882	0.907	0.551
Organizational unit	OU	0.900	0.926	0.715
Strategies	ST	0.933	0.950	0.793
Business model	BM	0.899	0.926	0.714
Governance	GD	0.916	0.938	0.752
Opportunities and risks	OR	0.919	0.939	0.755
Competitive performance	CP	0.817	0.872	0.758
Future outlook	PE	0.924	0.943	0.768
Preparation and presentation	PR	0.947	0.960	0.826

Discriminant validity was examined using the Fornell–Larcker criterion. The square root of AVE for each

construct, shown on the diagonal of the matrix, was greater than its correlations with other constructs. Therefore, discriminant validity was supported.

**Table 4.** Fornell–Larcker Matrix for Discriminant Validity

Construct	BM	CGC	CP	GC	GD	GP	GS	IRF	OR	OU	PE	PR	ST
BM	0.845												
CGC	0.582	0.821											
CP	0.399	0.726	0.760										
GC	0.452	0.622	0.622	0.867									
GD	0.374	0.823	0.597	0.479	0.938								
GP	0.453	0.840	0.556	0.644	0.549	0.923							
GS	0.629	0.807	0.649	0.408	0.495	0.507	0.890						
IRF	0.699	0.805	0.765	0.859	0.589	0.729	0.671	0.742					
OR	0.371	0.697	0.486	0.748	0.504	0.765	0.438	0.788	0.869				
OU	0.392	0.624	0.614	0.625	0.488	0.506	0.548	0.739	0.667	0.845			
PE	0.560	0.432	0.387	0.588	0.320	0.352	0.396	0.662	0.293	0.331	0.876		
PR	0.574	0.530	0.547	0.567	0.356	0.469	0.488	0.754	0.606	0.430	0.321	0.909	
ST	0.503	0.519	0.440	0.457	0.347	0.526	0.408	0.674	0.418	0.266	0.563	0.453	0.891

After confirming the measurement model, the structural model was assessed using the coefficient of determination and predictive relevance. The  $R^2$  values indicated that the model explained a substantial proportion of variance in the endogenous constructs. The  $R^2$  value for integrated reporting

was 0.677, meaning that governmental civilization-orientation explained 67.7% of the variance in integrated reporting. The  $Q^2$  values also indicated strong predictive power.

**Table 5.** Structural Model Predictive Criteria and Overall Model Fit

Variable	Abbreviation	$Q^2$	$R^2$
Governmental structuralism	GS	0.342	0.489
Governmental protectionism	GP	0.329	0.586
Governmental citizenship orientation	GC	0.552	0.739
Integrated reporting	IRF	0.586	0.677
Organizational unit	OU	0.590	0.705
Strategies	ST	0.510	0.652
Business model	BM	0.354	0.648
Governance	GD	0.459	0.622
Opportunities and risks	OR	0.386	0.546
Competitive performance	CP	0.332	0.438
Future outlook	PE	0.464	0.568
Preparation and presentation	PR	0.357	0.454
Mean communality	—	—	0.530
Mean $R^2$	—	—	0.590
GOF	—	—	0.550

The overall goodness-of-fit value was 0.550. Since values of 0.01, 0.25, and 0.36 are interpreted as weak, moderate,

and strong thresholds, respectively, the obtained GOF value confirmed a very favorable overall fit for the model.

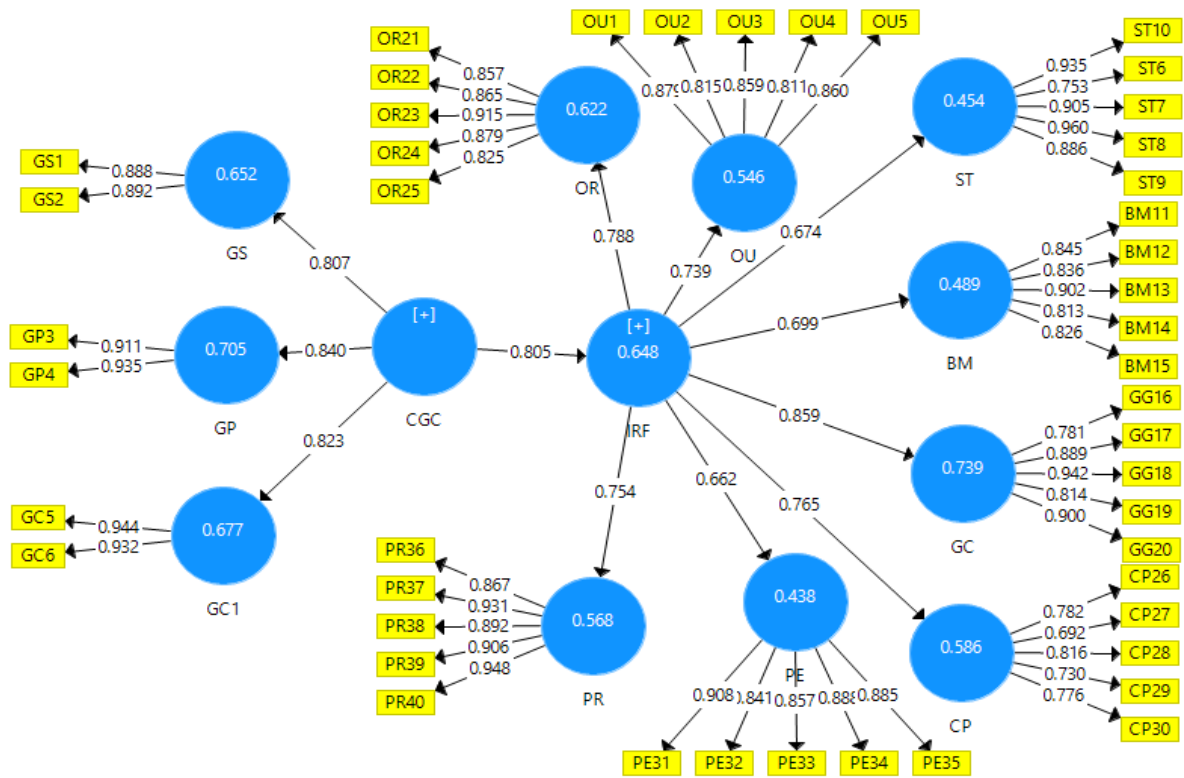


Figure 1. Structural Model of the Research Hypothesis with Factor Loading Coefficients

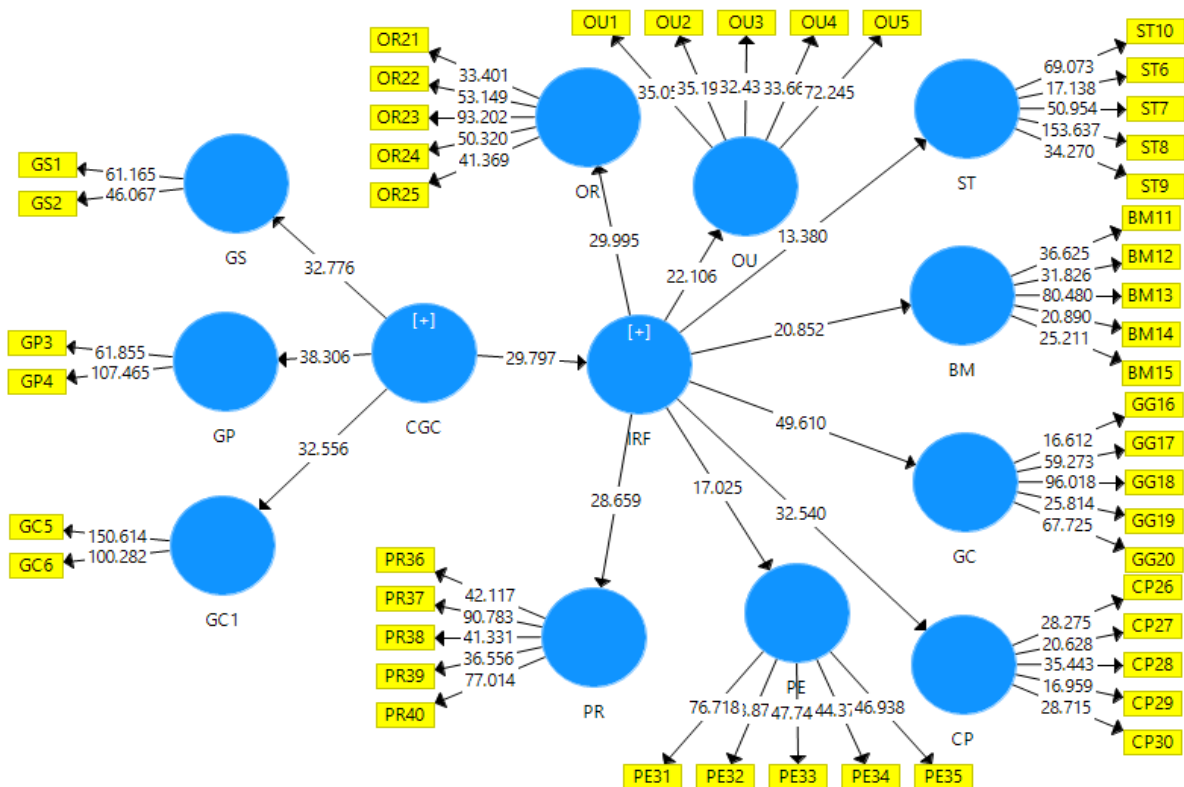


Figure 2. Structural Model of the Research Hypothesis with Significance Coefficients

Finally, the research hypothesis was tested using the structural path coefficient and t-value. The results showed that governmental civilization-orientation had a positive and

significant effect on integrated reporting among capital market companies.

**Table 6.** Hypothesis Testing Result

Hypothesis path	Path coefficient ( $\beta$ )	t-value	Result
Governmental civilization-orientation $\rightarrow$ Integrated reporting	0.80	29.79	Confirmed

According to Table 6 and the structural model results, the standardized path coefficient between governmental civilization-orientation and integrated reporting was positive and equal to 0.80. The t-value was 29.79, which is greater than the critical value of 1.96. Therefore, the research hypothesis was confirmed. This result indicates that stronger governmental civilization-orientation, reflected in governance structuralism, governance protectionism, and governance citizenship orientation, significantly improves the integrity of integrated reporting among companies listed on the Tehran Stock Exchange.

#### 4. Discussion and Conclusion

The present study was conducted with the aim of evaluating the effect of governmental civilization-orientation on the integrity of integrated reporting among companies listed on the Tehran Stock Exchange. The findings of the qualitative phase demonstrated that integrated reporting integrity is a multidimensional construct consisting of organizational disclosure, strategic disclosure, business model disclosure, governance disclosure, opportunities and risk disclosure, competitive performance disclosure, future outlook disclosure, and preparation and presentation disclosure. Furthermore, the quantitative findings confirmed that governmental civilization-orientation exerts a positive and significant effect on integrated reporting integrity. The structural model results showed that governmental civilization-orientation, through its dimensions of governmental structuralism, governmental protectionism, and governmental citizenship orientation, significantly improves the quality and comprehensiveness of integrated reporting disclosures in capital market companies. The path coefficient obtained in the structural equation model indicated a strong positive relationship between the two variables, demonstrating that organizations operating under stronger ethical and governance-oriented institutional structures are more likely to produce reliable, transparent, and integrated reporting systems.

One of the most important findings of the present study concerns the significance of governance structuralism in

strengthening integrated reporting integrity. The results demonstrated that governance systems characterized by specialized managerial structures, coherent governance mechanisms, and strategic organizational arrangements contribute substantially to the enhancement of disclosure quality and reporting consistency. This finding is theoretically consistent with civilization-oriented governance perspectives, which argue that institutional coherence and structural accountability create the organizational capacity necessary for sustainable transparency and strategic disclosure [22, 23]. From an accounting and governance perspective, organizations with stronger governance structures possess greater ability to align operational, financial, and sustainability information within a unified reporting framework. This interpretation is aligned with the findings of studies indicating that integrated reporting quality improves under effective governance systems and mature organizational structures [8, 17]. Similarly, prior research has emphasized that organizations adopting integrated reporting frameworks tend to exhibit stronger strategic coordination and more comprehensive disclosure practices when governance structures are institutionally integrated [10, 11].

Another important finding of the study concerns the role of governmental protectionism in enhancing integrated reporting integrity. The results suggest that institutional monitoring systems, stakeholder protection mechanisms, governance supervision, and policy compliance significantly contribute to improving reporting transparency and disclosure comprehensiveness. This finding reflects the fundamental role of governance safeguards in reducing opportunistic managerial behavior and increasing disclosure accountability. In this regard, the findings support agency-based perspectives indicating that effective governance oversight reduces information asymmetry and enhances disclosure reliability [19]. The findings are also consistent with evidence showing that integrated reporting can reduce agency costs and improve monitoring relationships between managers and stakeholders through more comprehensive information disclosure [3, 13]. Furthermore, the positive

influence of governance protectionism on reporting integrity confirms that institutional supervision mechanisms and compliance-oriented governance systems can improve stakeholder trust and market legitimacy by ensuring greater consistency between disclosed information and actual organizational performance [1, 18].

The findings related to governance citizenship orientation also provide important insights into the ethical dimensions of integrated reporting. Governance citizenship emphasizes ethical commitment, social responsibility, minority rights protection, and stakeholder-oriented accountability within governance systems. The results demonstrated that governance systems grounded in ethical values and stakeholder respect positively influence integrated reporting integrity. This finding is highly consistent with contemporary perspectives emphasizing the ethical foundations of transparency and organizational accountability [29]. Ethical governance environments encourage organizations to disclose broader strategic, environmental, and social information because managers operating in such contexts perceive disclosure not merely as a regulatory obligation but as an ethical responsibility toward stakeholders. Previous studies have similarly argued that integrated reporting effectiveness depends heavily on stakeholder interaction, institutional legitimacy, and ethical governance practices [9, 20]. Moreover, the results align with studies highlighting the importance of authenticity, ethical leadership, and organizational values in enhancing reporting quality and stakeholder confidence [29, 34].

The findings of the present study also reinforce the theoretical argument that integrated reporting should be viewed as more than a technical accounting framework. Rather, integrated reporting appears to function as a governance-based and civilization-oriented mechanism for communicating organizational value creation processes. This interpretation is supported by studies suggesting that integrated reporting connects strategic governance, sustainability orientation, risk management, and stakeholder accountability into a coherent disclosure architecture [2, 7]. In the current study, the integrated reporting dimensions extracted through the PRISMA and CASP processes reflected a broad understanding of organizational accountability that extended beyond traditional financial disclosure. The identified dimensions, including governance, strategy, opportunities and risks, and future outlook, demonstrate that integrated reporting integrity requires organizations to communicate their long-term

strategic and ethical orientations rather than limiting disclosure to short-term financial performance indicators.

The positive relationship identified between governmental civilization-orientation and integrated reporting integrity can also be interpreted in light of institutional legitimacy theory. Organizations operating within governance systems emphasizing ethical legitimacy, social accountability, and institutional responsibility are more likely to disclose transparent and comprehensive information in order to maintain stakeholder trust and organizational legitimacy [20, 33]. This issue is particularly important in emerging capital markets, where stakeholder confidence and market transparency are often weakened by fragmented disclosures and inconsistent governance practices. The findings therefore suggest that civilization-oriented governance structures can act as institutional mechanisms capable of strengthening legitimacy through integrated reporting practices. Such an interpretation is consistent with studies demonstrating that integrated reporting enhances market value, investor confidence, and organizational legitimacy by improving the transparency of strategic and sustainability-related information [4, 15].

The present findings also contribute to the growing literature on sustainability-oriented disclosure and market transparency. Previous studies have shown that integrated reporting facilitates improved communication between organizations and capital market participants by reducing uncertainty and increasing the interpretability of strategic information [12, 32]. The current results extend these findings by demonstrating that governance civilization-orientation acts as a foundational institutional factor capable of facilitating such disclosure improvements. In environments where governance systems prioritize ethical accountability and stakeholder rights, organizations are more likely to disclose detailed information regarding risks, governance structures, strategic objectives, and sustainability initiatives. This interpretation supports studies emphasizing the role of integrated reporting in improving information quality and market responsiveness [3, 28].

The qualitative findings of the study further revealed that the most influential dimensions of integrated reporting included strategic disclosure, organizational disclosure, governance disclosure, business model disclosure, opportunities and risks disclosure, competitive performance disclosure, future outlook disclosure, and preparation and presentation disclosure. The prominence of these dimensions indicates that integrated reporting integrity depends substantially on the ability of organizations to

provide coherent narratives regarding their strategic orientation and long-term value creation processes. This finding aligns with prior systematic review studies emphasizing that integrated reporting quality is strongly associated with strategic disclosure coherence and the integration of financial and non-financial information [6, 9]. Moreover, the findings are consistent with studies highlighting the increasing significance of integrated business models and strategic presentation formats in shaping stakeholder understanding of organizational performance [10].

The results additionally support the argument that integrated reporting contributes to the development of sustainable and resilient capital markets. As financial openness and market development increase, organizations are exposed to greater stakeholder scrutiny and disclosure expectations [31]. Under such conditions, governance systems characterized by civilization-oriented values may improve reporting integrity and strengthen the informational infrastructure of capital markets. This issue is especially important in the Iranian capital market, where concerns regarding information asymmetry, governance quality, and disclosure reliability continue to influence investment decisions and market efficiency [18]. Therefore, the findings suggest that strengthening governmental civilization-orientation may contribute not only to reporting quality improvement but also to broader market transparency and institutional trust development.

The study also confirms that integrated reporting integrity cannot be achieved solely through formal reporting regulations or technical disclosure standards. Although frameworks such as IFRS sustainability orientations, GRI guidelines, and integrated reporting standards provide important disclosure principles, the practical effectiveness of these frameworks depends heavily on organizational culture, governance orientation, and ethical commitment [2, 30]. This interpretation is consistent with organizational development perspectives emphasizing that sustainable organizational transformation requires learning-oriented and value-based institutional change processes [35]. Consequently, integrated reporting integrity should be interpreted as a multidimensional organizational capability shaped by governance culture, institutional ethics, strategic orientation, and stakeholder accountability systems.

Overall, the findings of the present study indicate that governmental civilization-orientation significantly strengthens integrated reporting integrity by improving governance coherence, ethical accountability, stakeholder

protection, and disclosure transparency. The study therefore contributes to the theoretical expansion of integrated reporting literature by integrating governance civilization concepts with reporting integrity frameworks. It also provides empirical evidence demonstrating that integrated reporting quality is deeply influenced by institutional and ethical governance structures rather than being determined solely by technical reporting mechanisms.

One of the limitations of the present study concerns the cross-sectional nature of the data collection process, which restricts the ability to evaluate long-term changes in integrated reporting practices over time. Another limitation relates to the concentration of the quantitative sample on companies listed on the Tehran Stock Exchange, which may reduce the generalizability of the findings to other economic sectors or international contexts. Additionally, although the researcher-developed integrated reporting checklist was validated through systematic review and expert evaluation, the possibility of subjective interpretation in content analysis and scoring procedures cannot be entirely eliminated.

Future studies are encouraged to examine the longitudinal effects of governance civilization-orientation on integrated reporting quality and capital market performance. Researchers may also investigate the mediating role of organizational culture, ethical leadership, stakeholder pressure, or digital governance mechanisms in the relationship between governance structures and reporting integrity. Comparative studies across different countries and institutional environments could provide deeper insights into how cultural and governance contexts influence integrated reporting practices. Moreover, future research may benefit from integrating artificial intelligence and text-mining techniques into the assessment of reporting integrity and disclosure quality.

From a practical perspective, the findings suggest that policymakers and regulatory institutions should strengthen ethical governance infrastructures and civilization-oriented governance frameworks in order to improve reporting transparency within capital markets. Corporate managers should also prioritize governance reforms emphasizing stakeholder accountability, ethical leadership, strategic coherence, and institutional transparency. Training programs designed for executives, board members, and financial managers may help organizations better understand the strategic importance of integrated reporting and improve the quality of disclosure practices. Furthermore, accounting and regulatory institutions may utilize the findings of this study to develop more comprehensive integrated reporting

guidelines capable of aligning financial reporting systems with sustainability and governance objectives.

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Authors equally contributed to this article.

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### Declaration of Interest

The authors report no conflict of interest.

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### Ethical Considerations

All procedures performed in this study were under the ethical standards.

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