

Analyzing the Impact of Voluntary Integrated Reporting on Investor Decisions: Investigating the Mediating Role of Information Asymmetry Reduction in Listed Companies on the Iraq Stock Exchange

Ali Saad Mohammed^{1,*}

¹ College of Administration and Economics, University of AL-Muthanna, AL-Muthanna, Iraq.

* Corresponding author, Email: alisaadalazawi@mu.edu.iq

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Abstract

This study examines the influence of voluntary integrated reporting on investor decisions, specifically investigating the mediating role of information asymmetry reduction in listed companies on the Iraq Stock Exchange. The sample consists of 47 dealers from the Iraq Stock Exchange. Data collection involved the use of a questionnaire. Statistical analysis was conducted using SPSS and AMOS software, utilizing various statistical methods such as mean, standard deviation, Pearson correlation coefficient, and path analysis. The most significant finding of this study suggests that voluntary integrated reporting plays a crucial role in reducing information asymmetry, thereby impacting investor decisions. The mediating role of information asymmetry reduction highlights the importance of transparent and comprehensive reporting practices in influencing investment behavior. These findings contribute to understanding the relationship between integrated reporting, information asymmetry, and investor decision-making in the context of the Iraq Stock Exchange.

Keywords: Integrated Report, Asymmetry of Information, Investment Decisions, Conflict of Interest & Iraq Stock Exchange.

1. Introduction

Voluntary integrated reporting has gained significant attention in recent years as a means for companies to provide comprehensive and transparent information to stakeholders. This reporting approach goes beyond traditional financial reporting by encompassing a broader range of non-financial information, such as environmental, social, and governance (ESG) aspects. The aim is to provide a more holistic view of a company's performance and value creation potential.

The influence of voluntary integrated reporting on investor decisions has become a topic of interest for researchers, practitioners, and policymakers. Investors rely on various sources of information to make informed decisions, and the quality and accessibility of information play a crucial role in their decision-making process. One aspect that can affect investor decisions is information asymmetry, which refers to the unequal distribution of information between different market participants.

Information asymmetry can create challenges for investors as it hampers their ability to accurately assess a company's prospects and risks. It may lead to suboptimal investment decisions, increased uncertainty, and higher transaction costs. Recognizing this, the reduction of information asymmetry has emerged as an important objective for companies seeking to enhance transparency and improve investor confidence.

In the context of the Iraq Stock Exchange, where listed companies operate, the impact of voluntary integrated reporting on investor decisions and its potential mediating effect on information asymmetry reduction remains underexplored. Therefore, this study aims to fill this research gap by examining the influence of voluntary integrated reporting on investor decisions and investigating the mediating role of information asymmetry reduction in listed companies on the Iraq Stock Exchange.

To achieve this objective, a sample of dealers from the Iraq Stock Exchange, consisting of 47 participants, was selected. A questionnaire was employed as the primary data collection instrument to gather relevant information from the participants. The collected data was analyzed using statistical methods, including mean, standard deviation, Pearson correlation coefficient, and path analysis. The utilization of SPSS and AMOS software facilitated efficient data analysis and the exploration of relationships between variables.

This research contributes to the existing literature by providing insights into the impact of voluntary integrated reporting on investor decisions within the specific context of the Iraq Stock Exchange. The findings have implications for listed companies, investors, and regulatory bodies, as they shed light on the role of voluntary integrated reporting in reducing information asymmetry and influencing investor decision-making. By enhancing our understanding of these dynamics, this study aims to contribute to the development of more transparent and effective reporting practices in the context of the Iraq Stock Exchange and beyond.

Research Problem

The Iraqi investor suffers from difficulty in making the appropriate investment decision because of the blurry picture of the actual performance of the companies listed in the Iraqi stock market. Therefore, the owners of capital directed their investments outside Iraq, which led to the exit of hard currency from the country, in addition to the high-risk rate in such cases—investments and thus the inactivity of the local investment sector. The attempt to revitalize the investment sector in Iraq is significant since Iraq relies heavily on one resource (oil) to support the state's general budget, which is a volatile resource and is greatly affected by global political events. As well as the world's trend towards the use of clean energy as an alternative to the use of oil in power generation is itself a threat to Iraq's economic future.

Research Importance

Iraq is considered one of the countries with a rentier economy, where the process of extracting oil and selling it constitute a considerable percentage of the total annual revenues, which led to neglect of

the rest of the sectors that, if exploited properly, would have become a diversified and robust economy for Iraq, in addition to the fact that the exit of foreign currency outside the country has a negative impact the large impact on the national economy of the country, which is a result of the weak movement of local investment caused by the low confidence of investors in the performance of Iraqi companies. Disclosure enhances the investor's confidence in the company, reducing the phenomenon of information asymmetry. This research aims to explore the importance of preparing the integrated report and its positive effects on the decisions of investors and society in general, as the preparation of such kind of reports requires companies to have an active role in areas that serves the community, which in the end achieves added value for companies.

Research Objectives

- 1- The research aims to identify the most important factors that could help stimulate the movement of investments at the local level.
- 2- It helps companies keep pace with the methods reached by international trade in order to attract investors.
- 3- The researcher seeks to urge the companies listed in the Iraqi stock market to issue more voluntary disclosure.
- 4- This research aims to demonstrate the importance of honest disclosure of the actual performance of companies in reducing the phenomenon of information asymmetry.

Research hypotheses

Researcher Assumed:

H1: There is a positive relationship between voluntary integrated reporting and investor decisions in listed companies on the Iraq Stock Exchange.

H2: Information asymmetry reduction mediates the relationship between voluntary integrated reporting and investor decisions in listed companies on the Iraq Stock Exchange.

H3: The mediating effect of information asymmetry reduction strengthens the relationship between voluntary integrated reporting and investor decisions in listed companies on the Iraq Stock Exchange.

Research Sample & Data Collection Methods

The researcher covered the theoretical side of the research by looking at Arabic and foreign sources (journals, letters, and theses). As for the practical side, a questionnaire was designed to suit the research variables and to know the extent of the integrated report's relationship and relevance in reducing data asymmetry and its impact on investors' decisions. Distributing it to a group of investors in the Iraq market for securities; however, the reason for choosing this segment of society was its impact in solving the research problem represented in trying to activate the investment movement in Iraq and reduce the phenomenon of foreign currency leaving Iraq.

Theoretical Framework

Integrated Report

With the expansion of commercial activity in the world, the diversity of areas of money investments, and the increasing anxiety and fears of investors about entering into new investments as a result of the succession of global financial crises, the volume of demand for financing increased, especially financing that does not come with interest and restrictions, such as financing through commercial banks. Accordingly, the trend towards enticing and attracting capital owners has become one of the most essential concerns of corporate management to attract inexpensive capital, and voluntary disclosure is one of the means of attracting investors. Voluntary disclosure is one of the means of attracting investors. (Rashwan and Al-Shaer, 2021: 162) mentioned that voluntary disclosure aims to provide information to help investors and creditors to assess the risks related to the possibilities about what has been

recognized in terms of the elements in the financial statements, to describe the items that are recognized in the lists, and to provide essential and valid measures for these items, other than the measures published in the financial statements, and reducing uncertainty for current and prospective investors.

To organize and develop the voluntary disclosure methodology for companies, many parties tend to issue a tight framework that would be a guide for management to follow to create added value for companies and, at the same time, raise the foggy image and increase public confidence, so the idea of the integrated report was crystallized, and as indicated (Hantush and Abdul Qadir, 2018: 160) that there is a need to develop disclosure procedures and get out of the scope of traditional data that do not contribute to reducing the degree of risk and increasing the degree of clarity regarding the company's future. The investment decision and local and foreign capital owners need information related to the future and help in the forecasting process. In April 2013, the International Integrated Reporting Council (IIRC), a global coalition of regulators, investors, firms, and standard-setters for the accounting profession and non-governmental organizations, released an advisory draft of the first Integrated Reporting Framework (Quattrone & et al., 2013: 34).

The results of previous studies differed between supporters and opponents on the existence of an impact of the comprehensiveness and adequacy of disclosure in the annual reports presented by companies on alleviating the appearance of information asymmetry and gaining the confidence of investors, which results in the success of investment decisions, such as the study (Hantoush and Abdel-Qader, 2018; Al-Tamimi and Al-Nafei, 2021; Rashwan Al-Shaer, 2021 and Al-Dabbagh and Jamil, 2022) while some studies have another opinion regarding the type of relationship between integrated reporting and information asymmetry, as the study (Garcia & Noguera, 2017) confirmed the existence of a negative relationship between information asymmetry and the disclosure of an integrated report as for the study (Sriani & Agustia, 2020), it was concluded that there is an insignificant relationship between the quality of the integrated reports and the information asymmetry, and the researchers attributed that the small size of the research sample may be one of the reasons for reaching such a result.

Definition of Integrated Report

The idea of reporting financial and non-financial information for companies voluntarily in the form of an integrated report was launched from South Africa, as South Africa leads the way in the field of corporate governance and financial reporting with the first large-scale adoption of integrated reports by listed companies (Rensburg & Botha, 2014: 144). The International Integrated Reporting Council (IIRC) has defined integrated reporting as "an integrated thinking-based process that results in a periodic, integrated report by a company on value creation over time and relevant communications regarding value creation aspects. An integrated report is a brief communication on how the company's strategy is performing its governance, performance, and prospects, in the context of its external environment, to value creation in the short, medium, and long term" (Serafeim, 2015:2). We note from the definition of the integrated report that the primary purpose of preparing this type of report is to create an added value for the company, according to which it strengthens the company's position in the market and thus achieves a rise in the price of its shares and many other gains.

Objective of the Integrated Report

Initially, the idea of managing the organization's three elements of social, environmental, and economic impacts is to measure and report. This idea gained prominence during the late 1990s and early 2000s (Dumay etc., 2016, 1). IIRC Integrated Reporting Framework aims to combine financial, environmental, social, and management information in a clear, concise, consistent, and comparable format (De Villiers etc., 2014, 5). With the enormous technological development that we are witnessing at present, which requires unique skills of the workers, intangible assets such as (human energy performance) have a significant impact on making investment decisions. The intangible is not recognized in traditional financial statements that only display financial information about the company,

especially in service companies such as companies providing legal or financial advice, etc. EY conducted a global survey (2015) that included different regions of the world regarding the importance of non-financial information to institutional investors from a sample of more than 200 investing institutions. The study results concluded that 23.7% of the sample preferred that environmental, social, and governance information played a role central to their investment decisions. Among the other sample, 49.8% considered that this type of information is effective occasionally. In comparison, 26.5% considered it unimportant due to the difficulty of determining its relationship to financial performance and issues related to guarantee and comparability (Hsiao & Kelly, 2018: 5).

The International Integrated Reporting Framework (2013) by the International Integrated Reporting Council (IIRC) documents that: "The primary goal of integrated reporting is to explain to investors how an organization creates value, which leads to increased efficiency and productivity of capital, that will act as a force for financial stability and sustainability" (Oshika & Saka, 2017: 2). (Khudair and Al-Kaabi, 2021: 160) mentioned that the integrated report acted as a response to the failure to satisfy the needs of users with the traditional institutional reporting forms, the integrated report suggests merging financial and non-financial information in one report. It includes new ideas about reporting that can change the corporate reporting landscape, improve investors' ability to assess future expectations, and offers solutions to overcome frequent criticisms of traditional accounting reporting models.

Contents of the Integrated Report

There are no standards for preparing the integrated report; however, the process of preparing the integrated report is based on guidelines that are followed to prepare the report to show the added value that was achieved for the previous period in addition to what will be achieved in the future on three levels (long, medium and short term), and in this regard (tanner and Jamil, 2022: 289) mentioned, the following guidelines support the process of preparing an integrated report that provides information on the content of the report and how the information is presented:

- 1- Strategic focus and future direction: the integrated report should provide an insight into the organization's strategy and how it relates to its ability to create value in the short, medium, and long term, and its use and impacts on its resources.
- 2- Informational capacity: The integrated report should show a comprehensive picture of the organization and the interdependencies and dependencies between the factors that affect the organization's ability to create value over time.
- 3- Stakeholder Relations: The integrated report should provide insight into the nature and quality of the organization's relationships with key stakeholders, including how and to what extent the organization understands, considers, and responds to their legitimate needs and interests.
- 4- Materiality: The integrated report should disclose information about matters that substantially affect the organization's ability to create value in the short, medium, and long term.
- 5- Briefness: The integrated report should be brief.
- 6- Reliability and completeness: The integrated report must include all positive and negative essential matters in a balanced manner and without substantial errors.
- 7- Consistency and Comparability: The information contained in the integrated report must be presented: (a) consistently over time and (b) in a way that enables comparison with other organizations to the extent that is fundamental to the ability of the organization itself to create value over time.

Information Asymmetry

Investors depend on the information that is disclosed mainly in making investment decisions, and the more comprehensive the disclosure and declare it in proper time, the investment decision-making process will be more accurate. For opportunistic motives, some managers manipulate the process of disclosing data affecting investment decisions in terms of the type of data and timing of disclosure, and this is what is known as the phenomenon of information asymmetry. This phenomenon was defined by

(Al-Dabbagh and Jamil, 297: 2022) as knowledge of the management or internal parties about the information on economic performance and the future of the company in a way that this knowledge exceeds the possession of other external parties such as investors, creditors, and financial analysts. Thus, this situation achieves extraordinary management returns due to an informational advantage. The phenomenon of information asymmetry comes as a result of what is known as a conflict of interests, and this problem appears based on the agency theory, which indicates that each of the management and investors have interests and goals that differ from each other (Farhoud, 2016: 429). The authors have mentioned the agency problem arises because savers who invest their money in a business do not intend to play an active role in its management, as this responsibility is delegated to the management (Healy & Palepu, 2001: 409). Thus, once the savers have invested their money in a business venture, the self-interested management is incentivized to decide to confiscate the savers' money.

Often, companies are faced with one of the external financing options. Generally, companies rely on two sources of external financing. The first source is: borrowing from commercial banks that charge a high-interest rate and impose restrictions on borrowing to ensure that they receive loan repayments without delay or default. The second source is: offering new shares in the market, which depends mainly on the efficiency of investment (Ahmad & et al., 2021: 1), indicating that information asymmetry and agency problems can hinder investment efficiency. The second source is also considered the most secure source for the company's financial stability and the lowest cost compared to borrowing from commercial banks.

The business environment with high rates of information asymmetry will face this phenomenon negatively and dangerously. This condition may lead to the loss of profitable investment opportunities. Thus, the company will lose excellent investment opportunities (i.e., misallocation of resources), and the value of the company will decrease (Huynh & et al., 2020: 3).

Investment Decisions

Investment is essential in all types of economies, regardless of the nature of the prevailing economic systems and the poverty or wealth of developing or developed countries. The importance of investment lies in the fact that it achieves economic development and stability, as well as the development of available wealth in order to satisfy different needs. Investment is defined as sacrificing a current benefit that can be achieved from satisfying current consumption to obtain a future benefit more significant than future consumption satisfaction (Zion, 2012: 67). The investment decision depends mainly on information companies provide about their status. Whenever this information is provided sufficiently and at a proper time, they impact the efficiency of the investment decision. One of the essential objectives of preparing financial statements and publishing them to the public is to attract investors and convince them of the company's performance. In this paper, the authors show that the provision of accounting information for decision-making is one of the main objectives of financial reports; there is no doubt that the information provided by the financial reports would increase the scientific and practical knowledge of decision-makers and direct their behavior to take the appropriate decision (Al-Majahli, 2009: 111). (Dalloul, 2010: 29) summarized the foundations of making an investment decision, which emphasized that the investment decision must be taken rationally and away from improvisation, which is:

- 1- Return and expectation: A rational investor is a person who constantly seeks to achieve the maximum possible return with the lowest possible risk (efficient investment).
- 2- Risk: Potential risk is a fluctuation in the actual returns over the calculated expected returns.
- 3- Timing: it is the time to keep the investment according to the investor's goals. The retention may be within a long time (focusing on the annual return) or short (focusing on capital gains).

Methodology

This aspect reflects an analysis of the general hypothesis research model by determining the relationship between its variables. Before entering into testing the hypotheses of the model, we will start by presenting the validity and reliability of the measures and the descriptive statistics of the research variables. We will also seek to know the nature and strength of the relationship between the variables through the use of the correlation matrix (Pearson) as a primary support that indicates the existence of a relationship between the research variables and then test the direct and indirect impact of the research variables.

Table (1) : Cronbach's alpha tests

Variants	Cronbach's alpha
Integrated Report	0.846
Information Asymmetry	0.891
Investment Decisions	0.8172
All Scale	0.930

Integrated Report: The variant "Integrated Report" has a Cronbach's alpha of 0.846. This suggests a good level of internal consistency reliability, indicating that the items within this variant are reasonably correlated with each other.

Information Asymmetry: The variant "Information Asymmetry" has a Cronbach's alpha of 0.891. This value also indicates a good level of internal consistency reliability. The items within this variant are likely measuring a similar construct and are correlated with each other.

Investment Decisions: The variant "Investment Decisions" has a Cronbach's alpha of 0.8172. This value suggests a reasonably high level of internal consistency reliability. However, it is slightly lower compared to the previous two variants, indicating that the items within this variant may have slightly weaker correlations with each other.

All Scale: The variant "All Scale" has a Cronbach's alpha of 0.930. This value represents a high level of internal consistency reliability. The items within this variant are strongly correlated with each other, suggesting that they are measuring the same construct effectively.

In summary, all the variants in the table demonstrate reasonably good to high levels of internal consistency reliability. The "All Scale" variant has the highest Cronbach's alpha, indicating the strongest internal consistency among the items.

Table (2): Statistical description data

items	Mean	Std. Dev	Items	Mean	Std. Dev
x1	4.3191	0.47119	b4	4.0213	0.79371
x2	4.0638	0.73438	b5	3.7872	1.02015
x3	3.5319	1.12	b6	3.9362	0.91851
x4	3.3404	1.18462	b7	4.0426	0.95456
x5	2.7872	1.14086	b8	3.9149	0.90481
x6	3.766	0.86509	b9	3.9574	0.99907
x7	3.8511	0.7796	b10	4.1489	0.80700
x8	3.9149	0.82961	Information Asymmetry	3.9957	0.51540
x9	3.2553	0.89608	y1	4.1489	0.80700
x10	2.9574	1.10252	y2	4.0000	0.88465
x11	4.1915	0.74128	y3	4.0000	0.88465

x12	3.6809	0.88726	y4	4.0000	0.75181
x13	3.617	0.96804	y5	3.8723	0.89969
x14	3.617	1.03321	y6	4.1702	0.78903
x15	4.0213	0.92052	y7	4.0000	0.72232
x16	4.1702	0.56411	y8	3.8723	0.76944
Integrated Report	3.6928	0.50201	y9	4.1064	0.59833
b1	4.1915	0.68010	y10	4.0851	0.80298
b2	3.8723	0.82402	Investment Decisions	4.0255	0.48922
b3	4.0851	0.54493			

From the data in table (2), we can observe the following:

Items x1 to x16: These items have mean values ranging from 2.7872 to 4.3191. The standard deviation values range from 0.47119 to 1.18462. The means indicate the average response or score for each item, while the standard deviations give us an indication of the variability or dispersion of responses around the mean for each item.

Items y1 to y10: These items have mean values ranging from 3.8723 to 4.1702. The standard deviation values range from 0.51540 to 0.88465. Similarly, b1 to b10, along with their corresponding mean and standard deviation values. The mean values provide an estimate of the average response or score for each item, ranging from 3.7872 to 4.1915. The standard deviation values indicate the variability or dispersion of responses around the mean for each item, ranging from 0.54493 to 1.02015. These statistics provide insights into the central tendency and variability of the responses for each item.

Table (3): correlation matrix between variables

Correlations				
		Integrated Report	Information Asymmetry	Investment Decisions
Integrated Report	Pearson Correlation	1	.643**	.581**
	Sig. (2-tailed)		.000	.000
	N	47	47	47
Information Asymmetry	Pearson Correlation	.643**	1	.759**
	Sig. (2-tailed)	.000		.000
	N	47	47	47
Investment Decisions	Pearson Correlation	.581**	.759**	1
	Sig. (2-tailed)	.000	.000	
	N	47	47	47

** . Correlation is significant at the 0.01 level (2-tailed).

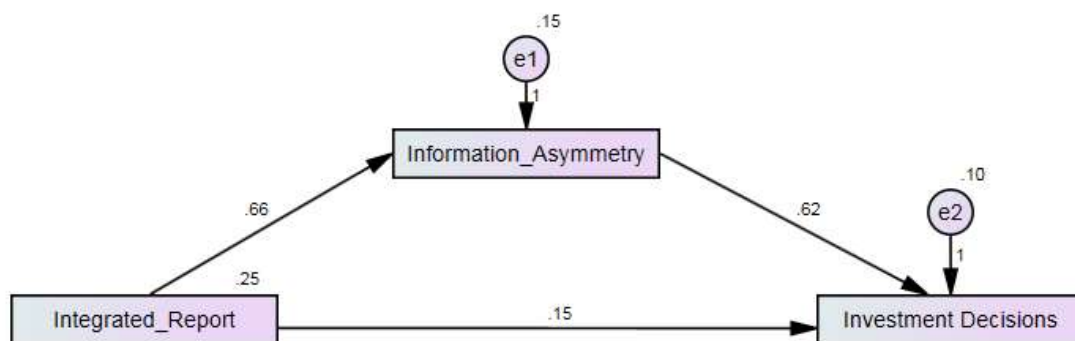
The correlation matrix provided presents the Pearson correlation coefficients between three variables: Integrated Report, Information Asymmetry, and Investment Decisions. The matrix also includes the significance levels for each correlation coefficient. Let's analyze the data:

Integrated Report and Information Asymmetry: The Pearson correlation coefficient between Integrated Report and Information Asymmetry is 0.643, indicating a moderately positive correlation. The p-value for this correlation coefficient is significant at the 0.01 level (2-tailed), suggesting that the correlation is unlikely to have occurred by chance.

Integrated Report and Investment Decisions: The Pearson correlation coefficient between Integrated Report and Investment Decisions is 0.581, indicating a moderate positive correlation. The p-value for this correlation coefficient is significant at the 0.01 level (2-tailed), indicating that the correlation is unlikely to have occurred by chance.

Information Asymmetry and Investment Decisions: The Pearson correlation coefficient between Information Asymmetry and Investment Decisions is 0.759, indicating a strong positive correlation. The p-value for this correlation coefficient is significant at the 0.01 level (2-tailed), suggesting that the correlation is unlikely to have occurred by chance.

In summary, the correlation matrix reveals that all three variables (Integrated Report, Information Asymmetry, and Investment Decisions) are positively correlated with each other. The strongest correlation is observed between Information Asymmetry and Investment Decisions. These findings suggest that there may be some relationship or association between these variables, although further analysis or context would be needed to understand the nature and implications of these correlations in a specific context.



Regression Weights: (Group number 1 - Default model)

			Estimate	S.E.	C.R.	P
Information Asymmetry	<---	Integrated Report	.660	.116	5.692	***
Investment Decisions	<---	Information Asymmetry	.624	.117	5.341	***
Investment Decisions	<---	Integrated Report	.154	.120	1.286	.199

The data presented in the regression weights table indicate the estimated regression coefficients (also known as beta coefficients) for three variables: Integrated Report, Information Asymmetry, and Investment Decisions. The table also provides information on the standard error (S.E.), critical ratio (C.R.), and p-values (P) associated with each regression coefficient. the analyze the data:

Information Asymmetry <--- Integrated Report: The estimated regression coefficient (estimate) for the relationship between Integrated Report and Information Asymmetry is 0.660. The standard error (S.E.) associated with this coefficient is 0.116. The critical ratio (C.R.) is 5.692, which indicates that the coefficient is statistically significant. The p-value (P) is denoted as *** (three asterisks), indicating that the coefficient is highly significant ($p < 0.001$).

Investment Decisions <--- Information Asymmetry: The estimated regression coefficient for the relationship between Information Asymmetry and Investment Decisions is 0.624. The standard error (S.E.) associated with this coefficient is 0.117. The critical ratio (C.R.) is 5.341, indicating that the coefficient is statistically significant. The p-value (P) is denoted as *** (three asterisks), suggesting high significance ($p < 0.001$).

Investment Decisions <--- Integrated Report: The estimated regression coefficient for the relationship between Integrated Report and Investment Decisions is 0.154. The standard error (S.E.) associated with this coefficient is 0.120. The critical ratio (C.R.) is 1.286, which suggests the coefficient is not

statistically significant. The p-value (P) is 0.199, which is above the conventional threshold of 0.05, indicating that the coefficient is not statistically significant.

In summary, the regression weights suggest the following relationships:

Integrated Report is significantly positively related to Information Asymmetry ($p < 0.001$). Information Asymmetry is significantly positively related to Investment Decisions ($p < 0.001$). The relationship between Integrated Report and Investment Decisions is not statistically significant ($p = 0.199$).

These findings provide insights into the strength and significance of the relationships between the variables in the regression model.

Based on the regression weights provided, it is possible to infer that Information Asymmetry may play a mediating role between Integrated Report and Investment Decisions. Given these two regression weights, it appears that Information Asymmetry mediates the relationship between Integrated Report and Investment Decisions. The positive relationship between Integrated Report and Information Asymmetry suggests that Integrated Report influences Information Asymmetry. Subsequently, the positive relationship between Information Asymmetry and Investment Decisions implies that Information Asymmetry influences Investment Decisions.

Conclusion

Integrated Report and Reduce Information Asymmetry: The analysis shows a significant positive relationship between Integrated Report and Reduce Information Asymmetry. As Integrated Report increases, Reduce Information Asymmetry tends to increase as well.

Reduce Information Asymmetry and Investment Decisions: There is a significant positive relationship between Information Asymmetry and Investment Decisions. As Reduce Information Asymmetry increases, Investment Decisions also tend to increase.

Mediating Role: The results suggest that Reduce Information Asymmetry acts as a mediator between Integrated Report and Investment Decisions. Integrated Report influences Reduce Information Asymmetry, and in turn, Information Asymmetry influences Investment Decisions.

Recommendations

Enhance Integrated Reporting: Given the positive relationship between Integrated Report and Reduce Information Asymmetry, organizations should focus on improving their Integrated Reporting practices. This can involve providing comprehensive and transparent information to stakeholders to reduce information asymmetry.

Manage Reduce Information Asymmetry: Recognizing the mediating role of Reduce Information Asymmetry, organizations should actively address and manage information asymmetry within their decision-making processes. This could involve measures such as improving communication, disclosure practices, and ensuring transparency in financial reporting.

Consider the Impact on Investment Decisions: Since Information Asymmetry influences Investment Decisions, organizations should be mindful of this relationship. They can work towards reducing information asymmetry to provide investors with reliable and accurate information, ultimately positively impacting investment decisions.

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