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Integrated Reporting and Protection of Non-Financial Stakeholders in Nigerian Deposit Money Banks

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Abstract

Disclosure quality is the motivation behind every corporate reporting development and, more recently, integrated reporting (IR). However, the concern is its focus and coverage. Studies have shown that IR gives more protection to financial capital providers than to other stakeholders. Thus, this study examines the impact of IR on non-financial stakeholder (employee, customer, and society) protection in Nigeria with a focus on deposit money banks (DMBs). This study sampled and analyzed 13 DMBs listed on the Nigerian Exchange (NGX) as of December 31, 2020. The study found that IR had a significant difference in pre- and post-IR framework eras and a significant effect on employee, customer, and society protection. The study concludes that IR affects the protection of non-financial stakeholders in Nigerian DMBs. It is recommended that regulators, corporate leaders, and researchers should pay more attention to non-financial stakeholders and treat them as capital rather than a way to achieve corporate performance.

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1. Introduction

Every new development in corporate reporting (financial, sustainability, and integrated) targets the improvement of disclosure quality for ultimate stakeholder protection. The two prominent accounting standard-setters, the Financial Accounting Standards Board (FASB) and the International Accounting Standards Board (IASB) agreed on the fundamental and enhancing qualitative characteristics of financial reporting disclosure (IASB, 2018). Also, the Global Reporting Initiative (GRI) and the International Integrated Reporting Council (IIRC) champion sustainability and integrated reporting, respectively, which emphasize quality disclosure (GRI, 2016; IIRC, 2021).

Being a new type of corporate reporting, integrated reporting has been shown to promote quality corporate reporting by enhancing the usefulness of disclosures in decision making and consequently protecting users and stakeholders (Cho, Lee, & Pfeiffer Jr, 2013; Eccles, Ioannou, & Serafeim, 2014; Fernando, Dharmawati, Sriani, Shauki, & Diyanty, 2017; Middleton, 2015). Although integrated reporting has been taken on for its objective of providing quality information to financial providers, it would only benefit interested stakeholders (Flower, 2015). This objective implies that value creation may not focus on all stakeholders, while the benefits to all stakeholders may be accidental. Vitolla and Raimo (2018) are of the opinion that the quality and quantity of integrated reporting would favor and benefit financial providers (shareholders and creditors) above other stakeholders. Protection of non-financial stakeholders (providers of manufactured, intellectual, human, social and relationship, and natural capital) has been largely ignored, or these stakeholders are used as a means (instrumental) to shareholders' ends (Bebchuk & Tallarita, 2020; Olarinde & Idem, 2020). In the face of crises, training and development is often neglected, thus decreasing employees' value to their organizations, while there may not be employment security and employees could lose their jobs. Customers are another stakeholder group that is at risk of losing their deposits when banks fail. Social and environmental challenges have awakened society and have led people to ask corporate organizations to pursue sustainable development. Studies show that integrated reporting give more protection to financial capital providers than to other capital providers and stakeholders (Dumay, Bernardi, Guthrie, & La Torre, 2017; Flower, 2015; Milne & Gray, 2013). This is against the intended stakeholder protection as acclaimed by the IR framework (IIRC, 2013; IIRC, 2021). On the other hand, this argument has been refuted by evidence of good performance by firms complying with integrated reporting (Dey, 2020; Eugster & Wagner, 2020; Moloi & Iredele, 2020). From the foregoing, this study becomes imperative to determine the effect of integrated reporting in driving protection of non-financial stakeholders in Nigerian deposit money banks in pre-IR (2005–2012) and post-IR framework (2013–2020) eras. Specifically, three stakeholder groups (employees, customers, and society) were focused on; thus, three hypotheses were formulated and tested accordingly. This study believes that IR disclosure might not be enough to explore stakeholder protection; thus quality (timeliness) and reactions (market price per share) were also considered for a robust regression analysis against the interests of identified stakeholders to assess their protection. This study was underpinned by the stakeholder and signaling theories. When the normative approach to stakeholders is adopted, every stakeholder is treated with value as an ethical practice and not just as an instrument for value delivery (Donaldson & Preston, 1995; Freeman, 1984). Quality disclosure signals a firm's efficiency in value creation and stakeholder protection, reduces information asymmetry, and causes a high level of corporate transparency (Biddle & Hilary, 2006; Eugster & Wagner, 2020; Jensen & Berg, 2012).

2. Literature Review

2.1. Conceptual Review

2.1.1. Integrated Reporting

In response to the shortcomings of financial reporting (its focus on quantitative data, the short-term and shareholders), corporate reporting has been extended to cover stakeholders based on the tenets of Freeman (1984) to enhance value-based decisions (Eccles & Spiesshofer, 2015). Today, corporate reporting accommodates non-financial environmental, social and governance (ESG) reporting in the form of sustainability reporting. Integrated reporting is one of those recent solutions that is targeted at stakeholders, and it is an answer to the call for one report of financial and non-financial disclosures, while showing connectivity between different capitals and value creation (Hamad, Draz, & Lai, 2020; Okaro & Okafor, 2017).

The IIRC issued its IR framework in 2013 and was amended and replaced in 2021. The framework consists of fundamental concepts, guiding principles, and content elements (Fernando et al., 2017). The content elements provide the disclosures required in an integrated report and are a firm's overview, and the IIRC (2021) identifies the content elements as: organizational overview and external environment; governance; business model; risk and opportunities; strategy and resource allocation; performance; outlook; and the basis of preparation and presentation (Kocmanová & Dočekalová, 2012; Orshi, Dandago, & Isa, 2019; Schörger & Sewchurran, 2015). Improvement of the quality of information is an important emphasis of integrated reporting (IIRC, 2013; IIRC, 2021). In this regard, beyond disclosures themselves, timeliness measures and enhances disclosure quality (IASB, 2018), such that information may lose its decision usefulness if it is not disclosed in a timely manner. Timeliness also has implication on share price, and the less timely the disclosure is, the less effect it will have on the share price (Ball & Brown, 1968; Brown & Kennelly, 1972). Share price measures stakeholders' perceptions/reactions, and it is an indication of value placed on or implied by corporate disclosure (Cooray, Senaratne, Gunarathne, Herath, & Samudrage, 2020). Theoretically, the market value of firms is expected to have a linear relationship with their corporate disclosures (Scott, 2014).

2.2. Employee Protection

Employees provide human capital in an organization, which ultimately delivers value to other stakeholders. The IIRC (2021) referred to human capital as people's competencies, capabilities and experience, and their motivations to innovate. There has been a recent realization of employees as an important capital (Akinlade & Adegbie, 2020; Akintoye, 2012; Asein, Soetan, & Akintoye, 2019; Olaoye & Afolalu, 2020) and this is also supported by the theory that employees could be more than an instrument used to achieve organizational goals, while their value could be maximized when treated as an end (Donaldson & Preston, 1995).

More than ever, there are concerns from employees regarding matching practices with disclosure in favor of their protection. Employees are an important stakeholder group and many studies show that employee disclosure and their protection are instrumental to organizational performance and to the protection of other stakeholder groups (Akinlade & Adegbie, 2020; Asein et al., 2019; Ofurum & Adeola, 2018).

Like every other type of capital, human capital could improve through better training and other motivators (pension, promotion, etc.). There are labor laws set up to protect employees, and there are also bodies such as the Nigerian Labour Congress (NLC) and the Trade Union Congress (NLC) who champion labor interests on a national level in Nigeria. However, in many cases, employees also form pressure groups at industry and individual company levels to protect their interests.

2.3. Customer Protection

Customers are interested in quality service and they require sustainable practices and key relationship management (Ara & Harani, 2020). Theoretically, customers are the reason a business exists. It is generally assumed that satisfied customers implies customer protection, and this would consequently lead to improved corporate performance (Eklof, Podkorytova, & Malova, 2020). Azgad-Tromer (2014) compared consumers to investors, who are also entitled to protection of their informational rights. However, the practice seems to be far from the ideal (Okaro, Okafor, & Nnabuife, 2019).

The Nigeria Deposit Insurance Corporation (NDIC) was established to protect savings of customers in Nigerian banks (Abere, Edewusi, & Olowo, 2020). However, with many lingering lawsuits on liquidated banks, many customers do not get their money back (Onele, 2018). Despite dedicated customer service desks in each bank and in the Central Bank of Nigeria's Consumer Protection Department, complaints are on the increase. This is an indicator of the need to protect Nigerian banks' customers.

Many avenues have been created to protect customers, but their effectiveness is often debatable. In many jurisdictions, national bodies exist to protect consumers. In Nigeria, there is the Federal Competition and Consumer Protection Commission and the Directorate of National Consumer Rights Protection. Also, there are industrial or sectoral bodies also ensuring consumer protection. For example, the Central Bank of Nigeria (CBN) does not take customer complaints lightly; this is the same for the Nigerian Communications Commission (NCC) in the communication sector. On a micro level, consumers also come together to form bodies to protect their interests; for example, there are many pressure groups targeted at different industries to ensure consumer protection.

The major concerns are the effectiveness of the various consumer pressure groups and the disclosure by firms reporting their efforts to protect customers, if any practices are in place. Monye, Umoh, and Chukwunta (2014) noted that many consumers are neither aware of the consumer laws nor the channels of redress. Okaro et al. (2019) identified the following issues that require urgent attention and reporting for consumer protection in Nigeria: fair marketing; factual and unbiased information; fair contractual services; protection of consumers' health and safety; sustainable consumption; a high level of consumer service, support and dispute resolution; consumer data protection and privacy; access to essential services; and education and awareness.

2.4. Society Protection

Fundamentally, society provides all the capital used by organizations – financial, manufactured, intellectual, human, social, and natural capitals. A decrease in any of these capitals has direct and unintended consequences for society. Put differently, the use of these capitals affects the ability of society to provide more capital. This is the core message of sustainable development (WCED, 1987) and integrated reporting, such that every organizational activity must be thought through (via integrated thinking) and every term (short, middle, or long) must be considered in value creation (Rinaldi, Unerman, & De Villiers, 2018). Many society-related sustainability and protection mechanisms have evolved over time from regulatory instruments to corporate governance (Malekpour & Newig, 2020; Stupak, Mansoor, & Smith, 2021). The implied benefits of sustainability have prompted corporate leaders to use society as a means to their own end (Donaldson & Preston, 1995). Also, the legitimacy of an organization hinges on its ability to protect society's interest in these capitals (Jaber & Oftedal, 2020).

Grassmann (2021) showed that firms would benefit from integrated reporting on either low or high environmental expenditures. Other studies showed that corporate, social and environmental disclosures would improve firms' corporate performance (Albitar, Hussainey, Kolade, & Gerged, 2020; Okpala & Iredele, 2018). However, many studies have shown that society protection is evasive and much needs to be done in this regard. However, social disclosures have improved over environmental disclosures (Alawiye-Adams & Akomolafe, 2017; Okpala, 2019).

2.5. Empirical Review

2.5.1. Integrated Reporting and Employee Protection

Adebawojo and Akindehinde (2017) found that human assets have a significant effect on organizational growth and other users of financial statements in Nigerian banks, and they concluded that non-recognition of human assets significantly affected the presentation of an organization's performance. Akintoye, Siyanbola, and Benjamin (2018) suggested that human resource accounting may resolve some unethical challenges regarding the reliability of financial reporting in Nigeria and Ghana. On the other hand, Akintoye, Awoniyi, Jayeoba, and Moses Ifayemi (2017) showed that adoption of the IFRS has an insignificant effect on human resource accounting disclosure practices, and the study concluded that the general assumption that the IFRS provides all-inclusive disclosures in all aspects was a myth.

The relevant value of human resource disclosure is no longer doubted from the above studies. While many of these studies have shown the importance of human resource accounting, the benefits are mostly reaped by the firm and financial capital providers. However, this study is of the opinion that there is also the need to show the benefits to the employees themselves and they need to be shown how corporate disclosure aids the protection of their interests. This is information is currently lacking from literature on human resource accounting.

2.6. Integrated Reporting and Consumer Protection

Aside from the paucity of literature on consumer protection, there is also little corporate reporting on consumers in Nigeria; rather there is a myriad of customer complaints for banks to deal with, and with internet banking, the complaints continue. Okaro et al. (2019) noted that consumer issues were not given enough attention in corporate reports and across the various sectors examined. Okeke, Ezeh, and Ugochukwu (2015) showed that price, security, perceived risk, responsiveness, and assurance are significant factors that could enhance customer satisfaction of banks' online services. Similarly, Okoye, Omankhanlen, Okoh, and Isibor (2018) showed that service features (time saving, convenience, crime reduction, reliability, risk reduction, and ease of use) have a significant positive impact on customer satisfaction in technology-based banking environments.

Wilburn and Wilburn (2015) noted that consumers would feel more protected on seeing corporate social responsibility (CSR) practices, and they would make purchase decisions to support sustainability. Consumers are becoming more interested in sustainable strategies, non-financial disclosure, and environmental, social and governance (ESG) activities of companies (Ara & Harani, 2020). Implementation of today's integrated reporting is driven by the consideration of consumers (Eccles & Spiesshofer, 2015).

2.7. Integrated Reporting and Society Protection

Oncioiu et al. (2020) found out that ESG reporting is a company's means of communication with stakeholders as part of its accountability and stewardship obligations, and at the same time, it is a tool for achieving transparency regarding its financial performance. Nwobu, Owolabi, and Ohoha (2017) showed that Nigerian banks report both economic indicators and social indicators. However, disclosure on climate change was limited. In a similar study, Okpala (2019) found that the level of social and environmental disclosure in Nigeria has improved over the years with a slight improvement from previous years, even though social disclosure takes a higher proportion of such practices compared to the level of disclosure on environmental issues.

Albitar et al. (2020) showed a positive and significant relationship between the ESG disclosure score and firm performance before and after 2013 among a sample of FTSE 350 firms. However, Iheduru and Okoro (2019) had mixed conclusions of the effects of ESG disclosure on some corporate performance indicators in selected firms in Nigeria. The study by Okpala and Iredele (2018) revealed that corporate, social and environmental disclosure, firm size, financial performance, affiliation with foreign companies, and industry type have significant effects on the market value of firms, while board size and leverage do not significantly influence the market value of firms. Literature has shown that the influence of values of society drives the adoption of integrated reports and how firms show society protection in these reports.

3. Methodology

The population for this study comprises all deposit money banks (DMB) which were regulated and supervised by the Central Bank of Nigeria (CBN) as of December 31, 2020. There were 24 DMBs under the supervision of the CBN and these were split into two groups: 14 DMBs that were listed on the Nigerian Exchange (NGX) and 10 DMBs that were not listed on the NGX. This study sampled 13 listed companies for the period of sixteen years (2005–2020) covering the pre-IR framework era (2005–2012) and the post-IR framework era (2013–2020). This sample represented 54% of the DMBs under the supervision of the CBN.

Non-financial stakeholders in the study are employees, customers, and society, while the proxies for stakeholder protection are personnel costs, the KPMG customer experience ranking, and corporate social responsibility (CSR), respectively, representing the various interests up for protection. Integrated reporting was measured by market price per share, timeliness, and an Integrated Reporting Disclosure Index (based on the eight content elements of the IR framework) during the periods covered. The index contained a checklist of thirty items based on the eight content elements. Data were sourced from the NGX and DMBs on the Bloomberg terminals and their official websites. The study used inferential (regression) statistics to analyze the data.

4. Data Analysis

4.1. Regression Results for Hypothesis One

Hypothesis One: Integrated reporting has no significant effect on employee protection in Nigerian DMBs in the pre- and post-IR framework eras.

$$\text{Model One: } EMP_{it}\ \alpha_1 + \beta_1 MPS_{it} + \beta_2 TIM_{it} + \beta_3 IRDS_{it} + \mu_{it}$$

The following diagnostic tests were carried out to determine the appropriateness of the estimation technique for the specified model: the Hausman test, the testparm test for fixed effects, the heteroskedasticity test, the Wooldridge test for autocorrelation, and Pesaran's test for cross-sectional independence. The fixed effects estimation technique was appropriate for model one. However, because of the presence of serial correlation, heteroscedasticity, and cross-sectional dependence, the model corrected for the random effects model by using the Driscoll–Kraay regression.

Table 1. Integrated reporting disclosures and employee protection in Nigerian DMBs.

Variable	Coefficient	Driscoll–Kraay standard error	t-test	Prob.
Constant	0.992	1.058	0.938	0.363
MPS	-0.0004	0.001	-0.357	0.726
IRDS	2.833***	0.492	5.755	0.000
TIM	0.885**	0.396	2.235	0.041
Difference-in-difference	0.878***	0.163	5.387	0.000
Adjusted R^2	0.2821			
F-Test	25.25 (0.000)			
Hausman test	21.59 (0.000)			
Testparm for fixed effects	10.49 (0.000)			
Heteroscedasticity test	373.95 (0.000)			
Serial Correlation test	128.29 (0.000)			
Pesaran CSI	6.36 (0.000)			
Observations	207			

Notes: Table 1 reports the static panel regression results of the effect of integrated reporting on employee protection in Nigerian deposit money banks in the pre- and post-IR framework eras. The dependent variable is employee protection proxied by personnel cost (EMP), while the explanatory variables are market price per share (MPS), timeliness (TIM), and integrated reporting disclosure score (IRDS).
** indicates significance at 5%; *** indicates significance at 1%.

From the results in Table 1, there is evidence that timeliness and integrated reporting disclosure have a positive significant relationship with employee protection ($\beta = 0.885$, t-test = 2.235, $p < 0.05$, and $\beta = 2.567$, t-test = 3.352, $p < 0.05$), while market price per share has a negative insignificant relationship with employee protection ($\beta = -0.0004$, t-test = -0.357, $p > 0.05$).

Table 2. Integrated reporting and customer protection in Nigerian DMBs.

Variable	Coefficient	Standard error	Z-test	Prob.
Constant	-2.845**	1.248	-2.279	0.023
MPS	0.021**	0.010	2.091	0.036
IRDS	5.552***	0.992	5.599	0.000
TIM	-0.418	0.571	-0.732	0.464
Difference-in-difference	0.419***	0.127	3.299	0.000
Adjusted R^2	0.148			
Chi-Square	42.57 (0.000)			
Post-estimation test for linearity				
Variable	Coefficient	Standard error	Z-test	Prob.
hat	1.067	0.180	5.928	0.000
hatsq	-0.386	0.130	-2.971	0.003
cons	0.319	0.192	1.667	0.096
Observations	208			

Notes: Table 2 reports the logit panel regression results of the effect of integrated reporting on customer protection in Nigerian deposit money banks in the pre- and post-IR framework eras. The dependent variable is Customer Protection proxied by customer experience ranking (CUP), while the explanatory variables are market price per share (MPS), timeliness (TIM) and integrated reporting disclosure score (IRDS).
** indicates significance at 5%; *** indicates significance at 1%.

With a difference-in-difference coefficient of 0.878 (Table 1), which is statistically significant at the 5% level, the study concludes that there is a significant difference between integrated reporting and employee protection in Nigerian deposit money banks in the pre- and post-integrated reporting framework eras. The adjusted R^2 shows that 28% of the changes in employee protection in Nigerian deposit money banks were as a result of changes in integrated reporting.

The *F*-statistic of 22.25 with a probability value of 0.000 is significant at the 1% level. This implies that the null, that there is no significant effect of integrated reporting on employee protection in Nigerian deposit money banks in the pre- and post-IR framework eras, is rejected and the alternate hypothesis, that there is a significant effect of integrated reporting on employee protection in Nigerian deposit money banks in the pre- and post-IR framework eras, is accepted.

4.2. Regression Results of Hypothesis Two

Hypothesis Two: Integrated reporting has no significant effect on customer protection in Nigerian DMBs in the pre- and post-IR framework eras.

$$\text{Model Two: } CUP_{it} = \alpha_1 + \beta_1 MPS_{it} + \beta_2 TIM_{it} + \beta_3 IRDS_{it} + \mu_{it}$$

From Table 2, the diagnostic test reported was the linearity test from the panel logit regression result. The null hypothesis of linearity was not rejected because the hat was positive and statistically significant and the hatsq was statistically significant. Therefore, the study concluded that the estimated model was linearly specified.

The results presented in Table 2 are from the panel logistic regression. The rationale for the use of this methodology was based on the nature of the dependent variable, which is a binary variable with a value of either 1 or 0. Arising from this, there was evidence that market price per share and integrated reporting disclosure had a positive significant effect on customer protection proxied by the customer experience ranking ($\beta = 0.021$, Z-test = 2.091, $p < 0.05$, and $\beta = 5.552$, Z-test= 5.599, $p < 0.05$, respectively), while timeliness had a negative insignificant effect on customer protection ($\beta = -0.418$, Z-test = -0.732 $p > 0.05$).

With a difference-in-difference coefficient of 0.419, which is statistically significant at the 5% level, the study concludes that there is a significant difference between integrated reporting and customer protection in Nigerian deposit money banks in the pre- and post-integrated reporting framework eras. The adjusted R^2 of 15% implies that integrated reporting explains 15% of changes in customer protection in Nigerian deposit money banks in the pre-and post-integrated reporting framework eras.

The Chi-square test statistic of 42.57, with a probability value of 0.000, is significant at the 1% level. This implies that the null hypothesis, that integrated reporting has no significant effect on customer protection in Nigerian deposit money banks in the pre- and post-IR framework eras, is rejected and the alternative hypothesis, that integrated reporting has a significant effect on customer protection in Nigerian deposit money banks in the pre- and post-IR framework eras, is accepted.

4.3. Regression Results of Hypothesis Three

Hypothesis Three: Integrated reporting has no significant effect on society protection in Nigerian DMBs in the pre- and post-IR framework eras.

$$\textit{Model Three: } SOP_{it} = \alpha_1 + \beta_1 MPS_{it} + \beta_2 TIM_{it} + \beta_3 IRDS_{it} + \mu_{itt}$$

Table 3. Integrated reporting and society protection in Nigerian DMBs.

Variable	Coefficient	Driscoll–Kraay standard error	t-test	Prob.
Constant	0.150	0.898	0.168	0.869
MPS	0.002***	0.001	3.882	0.001
IRDS	2.958***	0.627	4.715	0.000
TIM	0.085	0.216	0.394	0.699
Difference-in-difference	0.812***	0.190	4.207	0.000
Adjusted R^2	0.293			
Wald test	84.14 (0.000)			
Hausman test	1.83 (0.749)			
Breusch–Pagan RE test	276.44 (0.000)			
Heteroscedasticity test	138.74 (0.000)			
Serial correlation test	31.92 (0.000)			
Pesaran CSI	9.67 (0.000)			
Observations	207			

Notes: Table 3 reports the static panel regression results of the effect of integrated reporting on society protection in Nigerian deposit money banks in the pre- and post-IR framework eras. The dependent variable is Society Protection proxied by CSR Cost, while the explanatory variables are Market Price per Share (MPS), Timeliness (TIM), and Integrated Reporting Disclosure Score (IRDS).
*** indicates significance at 1%.

In Table 3, the diagnostic tests reported are the Hausman test, the Breusch–Pagan test for random effects, the heteroskedasticity test, the Wooldridge test for autocorrelation, and the Pesaran's test of cross-sectional independence. These tests were carried out to determine the appropriateness of the estimation technique for the specified model. The random effects estimation technique was appropriate for model three. However, because of the presence of serial correlation, heteroscedasticity and cross-sectional dependence, the model corrects for the random effects using Driscoll–Kraay regression.

From the results in Table 3, there is evidence that market price per share, timeliness, and integrated reporting disclosures have a positive effect on society protection ($\beta = 0.002$, t-test = 3.882, $p < 0.05$, and $\beta = 2.958$, t-test = 4.715, $p < 0.05$, respectively). However, timeliness has no significant relationship with society protection in Nigerian deposit money banks in the pre- and post-integrated reporting framework eras ($\beta = 0.085$, t-test = 0.394, $p > 0.05$).

With a difference-in-difference coefficient of 0.812, which is statistically significant at the 5% level, the study concludes that there is a significant difference between integrated reporting and society protection in Nigerian deposit money banks in the pre- and post-integrated reporting framework eras. The adjusted R^2 shows that about 29% of changes in society protection in Nigerian deposit money banks were as a result of changes in integrated reporting.

The Wald-test statistic of 84.14, with a probability value of 0.000, is significant at the 1% level, which implied that the null hypothesis, that there is no significant effect of integrated reporting on society protection in Nigerian deposit money banks in the pre- and post-IR framework eras, is rejected and the alternative hypothesis, that there is a significant effect of integrated reporting on society protection in Nigerian deposit money banks in the pre- and post-IR framework eras, is accepted.

5. Conclusion and Recommendations

The study concludes that integrated reporting has a statistically significant impact on non-financial stakeholder protection (employees, customers, and society) in Nigerian deposit money banks in the pre- and post-IR framework eras. Also, the results show that there has been an improvement in the quality of disclosures and better compliance during the post-IR framework period compared to pre-IR framework period.

The study recommends that regulators, corporate leaders, and researchers should treat non-financial stakeholders as assets and capital, rather than a means to improve corporate performance. Also, it is recommended that the boards of directors and management should make a conscious effort in their strategies, policies and plans to ensure that the interests of society are considered and protected both in practice and disclosure.

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