Abstract

The purpose of research is to build information blocks of an integrated reporting of transport and communication enterprises in order to increase their transparency, openness, and compliance of theirs reporting with the international requirements. The article presents the results of a study of the integrated reporting concept in the context of building a sustainable business. The development of applied nature of this concept is an essential element for its implementation in practice of corporate reporting formation. Despite active discussion of the problems of valuation in scientific works, there are unresolved issues related to the ambiguity and variability of the methods of its computation. In this regard, the article suggests scheme for the information blocks construction of an integrated reporting, synergistically linking three key approaches from perspectives of intrinsic value of a firm; value embodied in the capitals’ value and changes therein; created value, which is influenced by the stakeholders.

Keywords: integrated reporting, performance, transport and telecommunication, sustainability

* Corresponding author.
E-mail address: ipkurochkina@yandex.ru

© 2017 The Authors. Published by Elsevier Ltd. This is an open access article under the CC BY-NC-ND license (http://creativecommons.org/licenses/by-nc-nd/4.0/).
1. Introduction

According to the data of Federal State Statistics Service of the Russian Federation on January 1, 2014 the number of transport and communication companies amounted to 178,214. However, only two reports were published by mobile companies. Pursuant to the research of Russian regional network on IR (RRL, 2015) the transparency coefficient of companies is 1.8 for the transport sector and 1.67 for the telecommunications on a scale of 1 to 5. This means that transport and communication sectors of the Russian economy remain nontransparent.

Traditional financial reporting does not exist without limitations, which are objectively inherent in it. International financial reporting standards – is a big step in the formation of global financial standards which are understandable worldwide. Critics of such reporting stress its weakness in the lack of sufficient non-financial information and prognostic data. However, such information is extremely necessary for a comprehensive evaluation of the company's business, its investment attractiveness and competitiveness. There have been increasing concerns that traditional corporate reporting is insufficient to meet the information needs of a variety of stakeholders (Cheng et al., 2014; Eccles et al., 2014).

The International <IR> Framework (IIRC, 2013b) is intended to become the basis for the integrated reporting formation. However, the critical analysis of the fundamental concepts, embodied in this standard, is neglected. We believe that they need in-depth theoretical and methodological reflection. DraguIoana and Tiron-Tudor Adriana (2014) identified an integrated reporting as an integration of sustainability and corporate social responsibility information into the annual report. Eccles and Krzus (2010) defend a point of view based on the need to form one report as the result of more integrated reporting, which can only happen if sustainability is embedded in a company’s strategy.

The primary purpose of an integrated report is to explain how an organization creates value over time. Created value is a key indicator for the business valuation. The International <IR> Framework does not offer specific key performance indicators, and its measurement methods. Currently, general company’s measurement methods of value are missing. There are a traditional approach to estimate (income, cost, comparative methods), Value-Based Management (VBM), and the Balanced Scorecard of Norton and Kaplan (1996), the integrated economic analysis system of economic activities of Russian scientist Sheremet (2014) and others. The study of the association between integrated reporting and firm valuation is engaged Kin-Wai Lee and Gillian Hian-Heng Yeo (2015). On the basis of empirical analysis of South African companies' data they find a positive association: firms with higher integrated reporting have higher firm valuations. Their analysis shows that firms with high integrated reporting outperform both in terms in stock market and accounting performance. Frias-Aceituno, Lazaro Rodriguez-Ariza and Isabel M. Garcia-Sanchez (2014) conclude that company size and profitability have a positive impact on the likelihood of this type of report being produced. Moreover, business growth opportunities and industry are not significant in this respect.

The research is aimed to a practical development of proposed conceptual approach to the formation of the integrated reporting in the context of creating a sustainable business (Kurochkina and Novozhilova, 2016b). This approach is based on the strategy for sustainable business development and includes three elements: created value for the organization and for the stakeholders, the capitals, company’ stakeholders. From these positions, integrated reporting becomes a tool for sustainable business development. The following tasks are defined to achieve the purpose of the research:

1. To reflect the essence of the proposed conceptual approach,
2. To explain why it is necessary to develop the practical framework of the proposed conceptual approach on the analysis of corporate transparency of Russian transport and communications’ companies,
3. To reveal the value creation process as a key step between the proposed elements of conceptual approach,
4. To describe an existing measurement methods of created value,
5. To propose the created value estimation model based on the proposed conceptual approach.

Therefore, this research aims to formation of integrated reporting's performance on the basis of the proposed approach to the integrated reporting formation in the context of creating a sustainable business, and effective evaluation system of created value. This conceptual approach should form the basis of information blocks construction of integrated reporting.
دریافت فوری
متن کامل مقاله

امکان دانلود نسخه تمام متن مقالات انگلیسی
امکان دانلود نسخه ترجمه شده مقالات
پذیرش سفارش ترجمه تخصصی
امکان جستجو در آرشیو جامعی از صدها موضوع و هزاران مقاله
امکان دانلود رایگان ۲ صفحه اول هر مقاله
امکان پرداخت اینترنتی با کلیه کارت های عضو شتاب
دانلود فوری مقاله پس از پرداخت آنلاین
پشتیبانی کامل خرید با بهره مندی از سیستم هوشمند رهگیری سفارشات