

**A GENERIC QUALITATIVE INQUIRY OF HUMAN RESOURCE MANAGERS'
PERCEPTIONS OF INTEGRATED REPORTING**

by

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Abstract

This qualitative inquiry study was conducted to investigate human resource managers' perspectives on integrated reporting. The study was framed by the primary research question: What are human resource managers' perspectives on integrated reporting? The research was also guided by the two research subquestions: (a) How do human resource managers prepare human resource information for inclusion in the report? (b) How do human resource managers use information from the overall report to maximize human capital? The generic qualitative inquiry approach was used to evaluate interview data collected from 16 human resource managers working in the United States who had previous experience participating in the integrated reporting process. Participants provided answers to semi-structured interview questions, and a 13-step data analysis process was used to highlight, code, and examine the data for patterns and emerging themes. Five themes associated with leadership, department managers, data collection, metrics, and longevity emerged from the analysis. The data indicated that executive leadership influences human resource managers' autonomy and perceptions regarding integrated reporting. In addition, department managers from other divisions within a company influence the collection of human capital data, and the data collection process affects human resource managers' perceptions of the integrated reporting process. Findings also suggest that tracking metrics related to employee satisfaction levels, performance levels, turnover ratios, retention levels, and training processes and effectiveness influence human resource managers' perceptions of integrated reporting. Finally, the length of experience a human resource manager has with the integrated reporting process influenced reporting process perceptions. Integrated reporting offers many potential benefits to organizations, but more research is necessary to help scholars and

practitioners understand how these reports can benefit the creation and management of human capital within U.S. organizations.

Dedication

I dedicate my dissertation to my family, who supported my progress. First, I dedicate this dissertation to the love of my life, my wife LaShanda, who supported me from the very beginning. I also dedicate this dissertation to my uncles, Will and Jay. They both taught me what I needed to know when I needed to know it. I dedicate this dissertation to my nephews, Troy, Ty, and Tru. Each of them gives me hope for the future. I dedicate this dissertation to my niece, Meghan. When I felt down, she made me smile. I dedicate this dissertation to Pops, John Williamson, who provided a listening ear and shared wisdom. Finally, I dedicate this dissertation to my father, George Neal Sr., who passed away shortly after I began this journey. He always encouraged learning and hard work. It is with great humility that I give thanks to all my supporters for helping me through this journey.

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CHAPTER 1. INTRODUCTION

The use of integrated reporting is an emerging business trend where corporations produce targeted reports to track governance and strategy performance (Zhou et al., 2017). Integrated reports create both short- and long-term value for the organization through more efficient management (International Integrated Reporting Council [IIRC], 2019a). Integrated reports allow organizations to communicate with stakeholders about (a) how an organization is managed, (b) how it has performed in the past, and (c) what the organization's prospects are (IIRC, 2019b). Despite the potential advantages of integrated reporting, there is still uncertainty among scholars and practitioners regarding the reports' effectiveness (Zhou et al., 2017). This study added to the body of scholarly knowledge on integrated reporting by exploring how human resource professionals use integrated reporting to improve human capital in U.S. organizations.

Chapter 1 contains foundational information on the study. The chapter begins with background information and a concise statement regarding the need for the study. Next, the purpose and significance of the study are discussed. The research questions are then presented, along with definitions of key terms. The chapter's final sections include information on the study's research design, the main assumptions and limitations underpinning the research, and a summary of the organization of the remainder of the study.

Background of the Study

Integrated reporting refers to the use of consolidated corporate reports on strategy, governance, and employee performance to improve organizational culture and create short-, medium-, and long-term value for the company (Dumay & Dai, 2017; IIRC, 2019a; Teixeira, 2017). Integrated reporting provides organizations and stakeholders with critical information on how organizational resources are used and related (Vaz et al., 2016). Businesses are increasingly

using integrated reporting to meet stakeholders' evolving expectations and deflect criticisms that traditional reporting methods are inadequate to meet the requirements of banks and investors (La Torre et al., 2019).

Businesses use integrated reporting for various reasons, including improving decision-making, creating value, and promoting transparency (Dumay & Dai, 2017; Vaz et al., 2016). The use of integrated reporting is an emerging global trend, and some governments have even mandated using these reports. Publicly traded South African companies on the Johannesburg Stock Exchange have been using integrated reports since 2010 because of a government mandate to promote transparency (Barth et al., 2016). Chaidali and Jones (2017) noted that integrated reporting emerged as a way for South Africa to build trust among investors.

Integrated reporting is not federally mandated in all countries, but Sweden is one example where integrated reporting is encouraged for reasons related to corporate responsibility (Persson & Vingren, 2017). Persson and Vingren (2017) noted that integrated reporting in Sweden was especially important in organizations owned in part by the government, as there was a social expectation that these companies operate ethically and responsibly. Persson and Vingren indicated that state-owned enterprises (SOEs), located in countries like Sweden, were more likely to use integrated reporting consistently. The United Kingdom has encouraged organizations to use integrated reporting to provide better-quality information on human resource management (Vithana et al., 2019). Regardless of whether countries have mandated integrated reporting, highly encouraged the adoption of integrated reporting processes, or made the process voluntary, a trend toward more sophisticated analyses and reporting is apparent.

Individuals impacted by the integrated reporting process include an organization's stakeholders and members of the public concerned with the types of capital being discussed in

the reports (Stubbs & Higgins, 2014). Stubbs and Higgins (2014) identified six types of capital included in integrated reports: (a) financial, (b) manufactured, (c) intellectual, (d) human, (e) social and relationship, and (f) natural capital. This study's primary focus is on human resource managers, who support the management of human capital through the processes of attracting, training, and retaining employees. Integrated reporting can directly affect human resource managers as it could be used to highlight the relationships between the financial, natural, social, and human capital elements within organizations (Stubbs & Higgins, 2014).

Advantages associated with integrated reporting include improved record-keeping of nonfinancial capital, improved transparency of nonfinancial capital, potential improvements in nonfinancial capital, and increased trust between stakeholders and organizations (Dumay & Dai, 2017; Vaz et al., 2016). Dumay (2018) argued that stakeholders often mistrust businesses, and legislative oversight was necessary. Dumay suggested that one of the main benefits of using integrated reporting was to foster trust among consumers and investors. Lai et al. (2017) asserted that integrated reporting standards could improve communication and interdependence within an organization. Additionally, Persson and Vingren (2017) noted that integrated reporting would also increase accountability for corporate wrongdoing.

Despite the advantages of integrated reporting, there are also challenges to implementing these reporting processes (Lai et al., 2017). Lai et al. (2017) noted that the integrated reporting process was subject to bias. Lai et al. also acknowledged that the integrated reporting process was complex and difficult to navigate. As a result, scholars have recommended creating sector-specific guidelines that identify key performance indicators and sustainability issues for companies in different industries (Lai et al., 2017).

Because of the challenges associated with integrated reporting and the benefits the reporting process can yield, scholars have noted that the topic is worth studying in the context of human capital (Guest, 2017; Ketchen et al., 2017; Stubbs & Higgins, 2014). Ketchen et al. (2017) stated that “human capital is widely viewed as a strategic resource” (p. 283). Ketchen et al. also suggested that strategic management research typically focuses on issues related to performance. Integrated frameworks can help organizations visualize the process of value creation through the transformation of human capital inputs (Tol et al., 2019).

This study used human capital theory as a theoretical framework to explore human resource managers’ perspectives on integrated reporting. Nemeth (2017) noted that human capital theory describes how education, training, and employee motivation contribute to increased value. This study extended human capital theory by applying the IIRC’s (2019b) integrated reporting framework to determine how elements of the integrated reporting process support the creation of human capital. By examining human resource managers’ perceptions of integrated reporting, the study’s results added to the knowledge and discussion surrounding integrated reporting outcomes related to human capital. Furthermore, the link between human capital theory and the integrated reporting framework allows the development of human capital to be more targeted, monitored, and controlled.

Need for the Study

Integrated reporting has been proposed as an alternative to traditional corporate reporting, and researchers have touted many potential benefits associated with integrated reports (Adams, 2015; Zhou et al., 2017). Velte and Stawinoga (2017) attributed the increasing demand for integrated reporting to the desire to monitor nonfinancial considerations more closely, following the financial crisis in 2008. Kiliç and Kuzey (2018) acknowledged that integrated reporting

allows companies to identify and disclose the level of impact they have on the environment and society. Reuter and Messner (2015) noted that the framework proposed by the IIRC has resulted in the establishment of standards in the context of integrated reporting. However, empirical evidence of the benefits of integrated accounting remains elusive, and this has slowed the adoption of this reporting approach in some instances (Zhou et al., 2017).

De Villiers et al. (2014) identified many concerns related to implementing and using integrated reporting. One of the concerns revealed by de Villiers et al. was that it was difficult to truly integrate nonfinancial information with financial information to produce a single detailed report. This finding suggests that report preparers face specific challenges. More recent research on integrated reporting has also highlighted the importance of personnel who prepare and use these reports. Naynar et al. (2018) found that the perceptions of the individuals preparing integrated reports could increase implementation difficulties in companies quick to adopt integrated reporting systems. Furthermore, individuals tasked with contributing nonfinancial information (e.g., human capital data) to the integrating reporting process and individuals tasked with using that data to make nonfinancial decisions are important yet understudied stakeholders (Stubbs & Higgins, 2014).

Much of the research on integrated reporting is focused on specific countries. Stubbs and Higgins (2014) interviewed individuals representing management staff from 15 organizations based in Australia who had adopted an integrated reporting format and recommended that further research compare the use of integrated reporting in other countries. Lee and Yeo (2016) studied integrated reporting in South Africa and found that the reporting system had many benefits, including increased firm valuation, access to capital, revenue, and performance, but their results were not generalizable to the United States. Dumay and Dai (2017), Guthrie et al. (2017), and

Maroun (2018) all examined integrated reporting in specific countries. These studies highlighted the value of conducting research in the United States. This study addressed important gaps in the existing literature by examining human resource managers' use of integrated reporting in U.S. businesses to determine how these reports maximize human capital.

Purpose of the Study

The purpose of this qualitative inquiry research was to use human capital theory to understand human resource managers' perspectives of integrated reporting. The central phenomenon being studied was generally defined as how human resource managers in the United States perceive integrated reporting and documenting and how integrated reports can be used to maximize human capital. The focus on human resource managers is based on research by Lai et al. (2017), who found that allowing input from internal leadership, including human resource leadership, helped minimize barriers to integrated reporting. This study extended human capital theory by applying the IIRC's (2019b) integrated reporting framework to determine how elements of the integrated reporting process support the creation of human capital. Understanding how human resource managers use integrated reporting to maximize human capital highlights the value of using consolidated corporate reports when managing strategy, governance, and employee performance (Dumay & Dai, 2017; IIRC, 2019c; Teixeira, 2017). By answering this study's research questions, it was possible to identify how human resource managers use integrated reporting to improve organizational culture and create short-, medium-, and long-term value for the organization and its employees.

Significance of the Study

Research on integrated reporting has significance to the corporate community, as Joshi (2018) noted that integrated reporting can improve a firm's financial performance. Integrated

reporting also contributes to the strength of an organization's competitive advantage (Wen et al., 2017). Integrated reporting builds business resilience and improves long-term competitiveness in volatile environments by promoting integrated thinking (Wen et al., 2017). Thus, gathering additional data on the use of integrated reporting in the United States helps organizations and the corporate community by exploring the connections between integrated reporting and improved human capital use.

This study was significant to accounting and human resource professionals. Integrated reporting can help human resource managers influence strategic planning throughout the organization and add value to other departments (Chiucchi et al., 2018). Additionally, the scope of accounting professionals' work is being expanded to include measuring and monitoring nonfinancial capital sources such as human capital (McNally & Warren, 2018). By focusing on human resource executives' perceptions of integrated reporting at different companies, insights were revealed that are significant to accounting and human resources professionals.

Finally, this study contributed significantly to the body of knowledge on integrated reporting and human capital. McNally and Warren (2018) noted that a more thorough understanding of integrated reporting could lead to insights on the value creation process that, in turn, creates more changes in corporate reporting processes. Rinaldi et al. (2018) also noted that inputs related to human capital and outputs related to performance improvements were associated with human capital. Guest (2017) noted the need to examine integrated reporting and human capital through the eyes of those individuals whose roles include selecting organizational policies to promote a productive work environment. This study's exploration of human resource professionals' perspectives regarding the use of integrated reporting to maximize human capital extends the application of human capital theory and advances scholarly knowledge on the topic.

Research Questions

Primary Research Question

The primary research question asked, “What are human resource managers’ perspectives on integrated reporting?”

Research Subquestions

Research Subquestion 1. How do human resource managers prepare human resource information for inclusion in the report?

Research Subquestion 2. How do human resource managers use information from the overall report to maximize human capital?

Definition of Terms

Human capital. Human capital refers to the value of workers within an organization. Goldin (2016) noted that human capital is a measurement of employees’ skills and knowledge. The process of integrated reporting was examined using human capital theory to determine how human capital inputs improve organizational value.

Human resources. Human resources refer to the department or functions within an organization responsible for the strategic recruitment, development, allocation, and management of employees to achieve the organization’s goals (Hecklau et al., 2016).

Human resources professionals. Human resource professionals are individuals who are employed within the human rights department or function and use corporate reports on strategy, governance, and employee performance to improve organizational culture and create value in the context of human capital (Dumay & Dai, 2017; Teixeira, 2017). Human resource professionals are responsible for selecting and enforcing organizational policies to promote a productive and safe work environment (Guest, 2017).

Integrated reporting. Integrated reporting is the process used to track and monitor how capital is brought into an organization and used to achieve the organization's goals (Rinaldi et al., 2018). Several types of capital inputs (i.e., financial, manufactured, intellectual, human, social and relationship, and natural capital) are monitored as part of the integrated reporting process to improve organizational performance (Rinaldi et al., 2018; Stubbs & Higgins, 2014). Integrated reporting affects an organization's strategy, governance processes, decision-making, and value (Rinaldi et al., 2018).

Research Design

The study employed a generic qualitative inquiry research design based on a constructivist philosophy. The philosophical assumptions underlying the generic qualitative inquiry research methodology address the study's ontology, epistemology, and axiology. As highlighted by Mertens (2016), the ontology of a qualitative methodology assumes that multiple possible realities exist and can be explored by examining the participants' perspectives. The existence of multiple realities supports the importance of interviewing human resource managers as a group of stakeholders with a significant interest in integrated reporting. Using qualitative methods to derive knowledge from the participants' subjective experiences provided a needed perspective on the value of integrated reporting from a human capital perspective (Guest, 2017).

The research used a generic qualitative inquiry research methodology described by Percy et al. (2015). The research involved conducting semi-structured interviews with human resource managers about their perceptions of integrated reporting and its use in developing human capital resources in U.S. businesses. This research was not guided by any preconceptions about the perspectives of human resource managers regarding integrated reporting as research on this topic is presently limited by the newness of the concept, the lack of information on systematic

implementation, and the need to evaluate further the influence of these reports on different stakeholders (Dumay et al., 2016). Research suggests that more data is needed to understand the use of integrated reporting in the United States (Dumay et al., 2016; Dumay & Dai, 2017; Guest, 2017; Stubbs & Higgins, 2014). A generic qualitative inquiry method is most suited for this research considering the newness and lack of knowledge surrounding the participants' involvement in integrated reporting (Percy et al., 2015).

Assumptions and Limitations

Assumptions

This research involved several categories of assumptions. These assumptions included general methodological, theoretical, and topical assumptions. Identifying the assumptions adds to the understanding of research results and improves the interpretation of the results.

General Methodological Assumptions

The assumptions associated with selecting a generic qualitative approach related to the subjective nature of reality and the participants' knowledge. Gajderowicz et al. (2018) and Bach et al. (2017) discussed how these assumptions contribute to the advancement of knowledge in any given subject. The study's general methodological assumptions dictated the procedures used to collect and analyze data. Gajderowicz et al. (2018) noted that when using a constructivist perspective, the nature of reality differs from person to person. Naynar et al. (2018) noted that a perception gap exists between stakeholders and preparers of integrated reports because stakeholders and preparers have different values concerning human capital disclosures. The assumption related to the uniqueness of individual realities contributed to pursuing a generic qualitative inquiry approach to explore the research topic.

There was also an assumption that researchers do not conduct interviews in a vacuum, and researchers and participants influence each other through interaction (Bach et al., 2017). The assumed interaction effect includes an exchange of knowledge related to a researcher's presentation of a study's research questions and the participants providing honest, well thought out responses. Bach et al. (2017) noted that a corresponding assumption related to epistemology was that it is possible to make accurate predictions about a population based on the understanding obtained from a subset of that population. This research assumed that knowledge obtained from the participants would represent the larger population and that the knowledge obtained would help others improve human capital.

The examination conducted by human interaction and the interpretations and perceptions of that interaction provides a unique perspective that can be useful in inductive reasoning to explain an outcome. It was assumed that knowledge obtained from human resource executives would be best obtained using a generic qualitative inquiry methodological approach. This assumption was based on the participants' ability to share meaningful perceptions that advance knowledge on the subject of integrated reporting and human capital.

Theoretical Assumptions

The assumption associated with the human capital theory is that investment in human capital education and development yields positive outcomes (Marginson, 2017). The assumption was supported by the research of Baharin et al. (2020), who argued that investment in education and knowledge acquisition would produce a positive outcome in terms of human capital. The assumption associated with human capital theory supports the IIRC's (2019a) integrated report framework, directly linking investment in human capital to increased productivity outcomes.

Topical Assumptions

The study's main topical assumption is that human resource executives are the best people in a company to respond to the interview questions. In the existing literature, Malik et al. (2019) supported this assumption by noting that human resource managers are responsible for knowledge integration. Malik et al. described the process of knowledge integration as “training and development, focused hiring, knowledge questioning values, project-specific performance, competency-based performance management, project-based information dissemination, information, opportunity-enhancing team working, knowledge sharing, verticalization of business, geographical information and structural change that facilitate KI [knowledge integration]” (p. 538). These responsibilities adhered to by the Human Resource executive highlight the important role Human Resource Managers have regarding human capital development.

Limitations

Design Limitations

By choosing generic qualitative inquiry as a methodological approach design, the limitations of that methodology were attached to this study. Queirós et al. (2017) noted that case studies provide greater detail compared to other qualitative approaches, but because the goal was not to focus on a specific case or draw comparisons between multiple cases, a case study was not chosen for this study. Because a case study approach was not used, this study was limited in terms of the depth of the collected data.

Queirós et al. (2017) also noted that qualitative research methods do not allow the relationships between variables to be measured or evaluated. This study's findings cannot determine the extent of relationships between variables that a quantitative methodological

approach design would have explored. Instead, the focus was on creating a descriptive narrative that identified human resource managers' perceptions and provided a depth of understanding of the phenomenon. This study is limited to first-hand unfiltered data that was obtained through interviews. A design involving direct observations or the ability to verify participants' responses independently by reviewing employee records was not possible, though it would have provided independent verification of the findings (Queirós et al., 2017).

Delimitations

Two main delimitations framed the study. The first delimitation was the decision to focus exclusively on human resource managers as a target population. The second delimitation was the decision to focus exclusively on the human capital aspect of integrated reporting. The delimitations contributed to this study not providing a more in-depth knowledge of integrated reporting and the advancement of human capital development.

The decision to focus exclusively on human resource executives implies excluding other parties whose perspectives could have added to the field of knowledge. Participants did not include lower-level employees, nor other department heads such as manufacturing or accounting. By not including other participants, this study did not fully represent all integrated reporting stakeholders' perspectives.

The decision to focus exclusively on integrated reporting's human capital aspect implies ignoring other capital-related aspects of integrated reporting. These other capital aspects were described by Wen et al. (2017) as including financial, manufactured, intellectual, social and relationship, and natural capital. These other aspects might have provided additional insight into the development of human capital-related to the reporting of financial data, the production of manufactured products, the development of intellectual property, the promotion of the social and

relationship initiatives engaged by employees, and the development of natural capital. By not including these other capital-related aspects of integrated reporting, this study did not result in a full representation of the development of human capital through the process of integrated reporting.

Organization of the Remainder of the Study

Five chapters comprise this research. Chapter 1 contained information on the background, need, purpose, and significance of the study. The research questions were identified, as were specific terms used in the study. Finally, the research design, assumptions, and limitations were all discussed. Chapter 2 includes a review of the scholarly literature related to integrated reporting and human capital theory. Chapter 3 provides the research methodology used in the study. Chapter 4 details the data analysis, and Chapter 5 contains the conclusions, implications, and future research derived from the findings.

CHAPTER 2. LITERATURE REVIEW

Chapter 2 contains a review of the scholarly literature related to this research. The first section presents the search methods used to identify the scholarly literature relevant to the research topic. The second section contains a discussion of this research's theoretical orientation in terms of human capital. The third section addresses the literature relevant to integrated reporting. The section focuses explicitly on integrated reporting early adoption, value creation, usage, comprehension, implementation barriers, and disclosures in the context of human capital. The fourth section explores the synthesis of the research findings. The fifth and final section contains a critique of previous research on integrated reporting in human resources management.

Methods of Searching

This study relied on two primary methods for searching relevant scholarly, regulatory, and practitioner literature. The first method involved searching databases access to which was provided by the Capella University Library, including Science Direct, ProQuest Education, and the ProQuest Accounting Tax, and Banking Collection. These databases were accessed both when the research was initiated and periodically throughout the dissertation process. The second method was to search Google Scholar periodically, also throughout the dissertation process. Searches of the extant scholarly literature focused on research performed on the use and application of integrated reports and, for the theoretical framework underpinning the study, the human capital theory. The temporal search parameters limited search results to published resources less than five years old, except in studies considered seminal.

The search process utilized the search terms: *integrated reports*, *integrated reporting*, *sustainability reports*, *sustainability reporting*, *human capital*, *human capital valuation*, and *employee development*. Early searches provided results that allowed later searches to be refined

with additional specific search terms. These terms primarily applied to identifying early jurisdictions that adopted or strongly encouraged mandatory integrated reporting. The additional search terms were: *South Africa, Italy, Australia*, and the *International Integrated Reporting Council* and its acronym, *IIRC*.

Theoretical Orientation for the Study

The human capital theory was first developed and propounded in seminal work by Mincer (1958). Mincer's (1958) original work and insights were much extended in additional seminal work by the Nobel prize-winning economist Becker (1962) and later by Drucker (1969). Becker (1964) noted that the human capital theory relied on an understanding of individuals as economic actors who created knowledge, information, and ideas and related these activities to the value of knowledge and the costs of acquiring such knowledge.

Becker (1964) extended the human capital theory while noting an equivalency between investing in physical capital and human capital. Becker noted that investments in human capital could be represented by such activities as training, apprenticeship, education, and the gaining of hands-on experience. Based on this definition of human capital investment, Becker was able to view human capital as a factor in the means of production and, in turn, a factor that would allow calculation of a return on investment. Finally, Becker noted that a further consequence of this extension of the theory of human capital was that investing in individuals' developments could provide a source of national or organizational competitive advantage.

Drucker (1969) further extended the human capital theory by explicating the theory's foundations rested on the concept of the knowledge economy. Drucker introduced the term knowledge economy and noted that in these economies, identifiable classes of workers produced ideas and knowledge and processed data into information. The concept of human capital was

foundational to Drucker's insights into economies where knowledge workers referred to an educated class of worker distinct from manual workers (Drucker, 1969). Keen (2017) noted that the human capital theory implies that education and training are crucial for knowledge economy organizations to maintain their competitive advantage and ongoing organizational health. Keen also noted that organizations that underinvest in human capital would flounder.

Supporting, maintaining, and extending human capital has become critical to modern organizations (de Villiers et al., 2017). As a result, new approaches and tools for supporting human capital have become a topic of interest to national regulators and organizational leaders (Stone & Lodhia, 2019). Integrated reporting represents one such tool that facilitates supporting and enhancing human capital (Maroun, 2018). Integrated reporting was developed to address perceived deficiencies in organizational reporting after the global financial crisis of the first decade of the new millennium (de Villiers et al., 2017). In addressing these perceived deficiencies, integrated reporting also addresses perceived weaknesses in sustainability reporting. Integrated reporting is rooted in an integrated thinking philosophy, as such integrated reports provide the interconnections between organizational data types missing in traditional retrospective reports and not provided in sustainability reports (de Villiers et al., 2017). Integrated reporting supports integrated thinking at the board level and can be examined through a deductive exploration of the perceptions of the individuals who prepare integrated reports and oversee human capital. By examining human resource managers' perceptions of integrated reporting, this study results contributed to scholarly and practitioner discussion and understanding of integrated reporting outcomes related to human capital. Utilizing human capital theory as the theoretical framework for the study supported examining the value relationship

between integrated reporting and better organizational outcomes in the management and development of human resources.

Review of the Literature

The chapter divides into six subsections that, in aggregate, provide an examination of the dimensions of scholarly understanding of integrated reporting. The first subsection addresses how integrated reporting is understood and how it is used. The second subsection explores the literature related to disclosures present in integrated reporting. The third subsection contains an examination of the literature on integrated reporting and its role in value creation. The fourth subsection contains a review of the literature related to early adopters' experiences with integrated reporting. The final two subsections address barriers to the implementation of integrated reporting and the extant literature related to integrated reporting and its specific relationship to the management and enhancement of an organization's human capital.

Integrated Reporting Use and Comprehension

Rinaldi et al. (2018) attempted to reconcile what they characterized as fragmented emerging literature on integrated reporting research. Rinaldi et al. used the idea journey theoretical framework to develop a theoretically informed analysis of available research on integrated reporting. Rinaldi et al. reviewed 65 published papers to examine the state of the literature on integrated reporting, identifying gaps in the literature, and reconciling insights presented in the extant literature. Rinaldi et al. found that the integrated reporting idea journey stages exhibited gaps not covered in the extant literature. As a result, Rinaldi et al. suggested what future researchers might most fruitfully examine in research areas.

Rinaldi et al. (2018) made four specific suggestions for future research. The first was to investigate the influence of integrated reporting through the development of new methodologies

and models that would allow better understanding and implementation of integrated engagement. Their second suggestion for future research was studies of the historical contingency of current integrated reporting practices. The third was to examine the role of accountants in integrated reporting adoption. Their fourth and final suggestion for future research was to examine how and why integrated reporting becomes associated with specific areas. Rinaldi et al.'s results made clear that much remains unknown about integrated reporting, its merits, and its applications.

De Villiers et al. (2017) developed a new conceptual model that facilitated the examination of integrated reporting. This new model was constructed based on the findings of prior literature. De Villiers et al. also identified areas for future research into issues surrounding integrated reporting. De Villiers et al. stated that the new conceptual model could be used as a framework to assist in understanding and thinking about influences on integrated reporting. The model could also be used as an organizing framework for analysis to identify new factors that could be controlled for in future studies. De Villiers et al. also noted that the conceptual model could help future researchers explore novel, pertinent, or underexplored research questions.

De Villiers et al. (2017) constructed the conceptual model based on the benefits of integrated reporting identified by the IIRC. The model was rooted in theoretical links and evidence taken from the emerging literature on integrated reporting. De Villiers et al. noted that their model suggested that causal links within organizations and between organizations and their stakeholders were poorly understood. Furthermore, feedback loops in such causal links might also be bidirectional between organizational levels and between organizations and stakeholders, both internal and external. De Villiers et al. specifically designed the new conceptual model as a tool to support further inquiries and research into integrated reporting and its impact on organizations and their broader stakeholder communities.

Pistoni et al. (2018) noted that integrated reporting is not yet widespread among organizations internationally and that when the integrated reporting is implemented in an organization, the integrated reporting framework is often not fully implemented. Based on the preceding premises, Pistoni et al. developed a new scoring model and integrated reporting scoreboard to assess integrated report quality. Pistoni et al. examined and scored 116 organizations integrated reports produced in the years 2013 and 2014 and found that these reports' quality was low. Quality was scored based on report content. While integrated reports were found to comply with the integrated reporting framework generally, they exhibited a paucity of information in crucial reporting areas such as strategic priorities, the business model, capital, and the reporting organization's value creation process. Pistoni et al. concluded that report writers focused greater attention on complying with integrated reports than on their content.

Du Toit (2017) conducted an empirical, exploratory study investigating the readability of integrated reports provided in fiscal years 2015 and 2016 by companies listed on South Africa's Johannesburg stock exchange. Du Toit performed a correlation analysis between the readability results du Toit's study obtained and benchmark integrated report readability provided by the results of Ernst & Young's Excellence in Integrated Reporting Awards for 2015. Du Toit found that a report's quality was perceived to be higher if it was drafted using complex language. However, du Toit found that such complex language had a negative correlation with readability. Du Toit noted that this, in turn, negatively affected the value that stakeholders could derive from the information presented in such an integrated report. As a result of these findings, du Toit noted that integrated reports were difficult to read and were only useful to a portion of their

intended audiences. Furthermore, du Toit stated that the value-added by integrated reports was susceptible to improvement and recommended further studies.

Stone and Lodhia (2019) extended du Toit's (2017) work on a global level. Stone and Lodhia's (2019) study was the first large-scale analysis of the accessibility and readability of globally available integrated reports. Stone and Lodhia noted that the IIRC is committed explicitly to integrated reports written clearly and with highly accessible, comprehensible text. They further noted that such writing was an ongoing commitment by the IIRC as a part of their efforts to establish integrated reporting as the corporate norm for organizational reports. The study's methodology was based on readability measures and supplementary measures of reader accessibility to integrated reports. Stone and Lodhia drew their study data from the IIRC examples database, and their dataset spanned multiple reporting years.

Stone and Lodhia's (2019) global findings supported the results du Toit (2017) reported from South Africa. The readability of integrated reports provided by global organizations was low (Stone & Lodhia, 2019). Furthermore, Stone and Lodhia (2019) observed no improvement in the readability of integrated reports throughout the multiyear study period. Stone and Lodhia's analysis of report comprehensibility indicated that integrated reports relied disproportionately on structural presentation techniques. The reports also exhibited suboptimal use of visual communication forms resulting in reader accessibility issues. Stone and Lodhia concluded that IIRC goals for clear, comprehensible, and accessible reporting were not being met by organizations that issue integrated reports. Stone and Lodhia further noted that there was no sign of progress in improving reporting clarity and readability. Finally, Stone and Lodhia noted that the current poor state of integrated report clarity and comprehensibility had implications for all

stakeholders in integrating reporting, including report readers, regulators, reporting organizations, and the IIRC.

In another study related to the consequences of poor integrated report readability, Caglio et al. (2020) found relationships between integrated report textual attributes and organizational value. Caglio et al. reported that the textual attributes of an organization's integrated reports externally affected stakeholder perceptions and valuations of the organization in the dimensions of readability, conciseness, and tone bias. The first dimension, readability, was associated with higher stock market valuations. Conciseness was associated with increased stock market liquidity, and tone bias associated with market analysts providing less dispersed valuation estimates. Caglio et al. concluded that market participants preferred short, focused, and readable integrated reports. Caglio et al. also concluded that higher quality textual attributes mattered to broader audiences.

Integrated Reporting and the Disclosure of Information

Kiliç and Kuzey (2018) performed a quantitative analysis of disclosure levels among nonfinancial companies listed on the Turkish stock exchange that provided integrated reports. Kiliç and Kuzey constructed a check-list type disclosure index based on the IIRC's reporting framework content elements. Kiliç and Kuzey populated their index by manually analyzing the reporting organizations' integrated reports and then applied statistical analyses to test their hypotheses. The study's findings showed that companies would routinely not disclose company-specific risks and ignored negative information while providing positive information on the organization. The companies would only disclose generic risks in their integrated reporting disclosures. Kiliç and Kuzey further found that the reporting organizations did not relate financial and nonfinancial organizational initiatives and only provided retrospective rather than

forward-looking information. The lack of compliance with IIRC content standards limited the value of these organizations' integrated reports (Kiliç & Kuzey, 2018).

Naynar et al. (2018) examined integrated reports from a group of organizations to discover whether integrated reports demonstrate expectation gaps between the report preparers and the stakeholders who read those reports. Naynar et al. used a mixed-methods approach. Naynar et al. created a list of disclosure themes and then used a questionnaire to determine the perceived importance of the disclosure themes identified by participants. Factor analysis was performed to determine the statistically significant disclosure themes. The result of Naynar et al.'s study revealed that a perception gap did exist between the preparers of the integrated reports and the investors who read those integrated reports. Naynar et al. also found that investor readers' sophistication level should be considered when integrated reports were in preparation.

Farooq et al. (2018) developed a sustainability reporter classification matrix to examine why some organizations prepared higher quality sustainability reports than others. Farooq et al. also examined why such organizations experienced improvements in their report quality and why other organizations provided low-quality reports and exhibited no improvement in report quality or declining report quality over time. Farooq et al. analyzed the existing literature using a combination of legitimacy theory and resource-based view to discover organizations' commitment to sustainability reporting and competency in providing such reporting. Farooq et al.'s two-dimensional matrix provided four reporter classifications. The four classifications included (a) incompetent uncommitted reporters who drafted low-quality reports; (b) competent uncommitted reporters who provided average-quality reports; (c) incompetent committed reporters who also provided reports of average quality; and (d) competent, committed reporters who drafted and published high-quality reports.

Farooq et al.'s (2018) work extended understanding in the literature of the factors that affected sustainability report quality. The study also demonstrated why such reports varied in quality over time. Farooq et al.'s matrix and the insights it provides are useful tools for explaining report quality variation. Farooq et al.'s study added to the discussion of integrated reporting and provided a potentially useful tool for classifying reporters, identifying report-based issues, and tracking progress in improving reports.

Lee and Yeo (2016) examined the connection between organizational valuation and integrated reporting using a qualitative, cross-sectional variation approach. Lee and Yeo specifically examined the association between firm valuation and the use of integrated reports following the passage of reporting laws in South Africa. Lee and Yeo found that the increased disclosure of information through integrated reports was positively associated with increases in organizations' valuations when listed on the South African stock market. Based on their analysis, Lee and Yeo asserted that the benefits of integrated reports outweighed the costs of generating and distributing the reports in most organizations. Lee and Yeo postulated that organizations with higher organizational complexity would exhibit stronger positive associations between integrated reporting and organizational valuations. The study results supported the hypothesized relationship.

Lee and Yeo (2016) specifically noted that organizations with higher organizational complexity tended to be characterized by business units operating in multiple markets, high overall organizational complexity, and high levels of intangible assets. Lee and Yeo concluded that integrated reporting lessens the information asymmetry between organizational insiders and outside stakeholders. A limitation of Lee and Yeo's study was that the study's sample was limited to South African organizations. Lee and Yeo suggested that more research was needed to

support or disprove their findings that integrated reporting disclosures contribute to higher firm valuation.

Dumay (2018) emphasized the societal importance of the extended disclosures in public organizations' integrated reports. Dumay observed that integrated reporting could be viewed as a successor to intellectual capital reporting, which preceded integrated reporting as a type of extended organizational reporting. Policymakers, regulators, and scholars noted the promise of intellectual capital reporting, but that process ultimately failed to gain traction among international organizations (Dumay, 2018). Dumay (2018) also noted that ongoing societal issues existed regarding the lack of trust in the four pillars of society: (a) government, (b) media organizations, (c) nongovernmental organizations, and (d) businesses.

The lack of trust in civil society's foundational institutions resulted in a 2014 directive from the EU specifically mandating that organizations with more than 500 employees provide more disclosure of nonfinancial and diversity information (Dumay, 2018). As part of the newly mandated reports, organizations had to disclose information on the environmental, social, human rights, anticorruption and bribery, and employee-related dimensions of organizations' operations (Dumay, 2018). Dumay (2018) noted that such a directive would have been unnecessary in an environment where public organizations voluntarily disclosed what both stakeholders and the broader society needed to maintain trust. Dumay noted that issues with trust deficits in civil society were likely to continue to drive the adoption of integrated reporting regulation unless organizations found ways to avoid the more onerous aspects of such reporting. Dumay finally noted that deficits would continue if organizations failed to implement real change in their reporting processes.

Value Creation Using Integrated Reporting

Integrated reporting is valued by a range of stakeholders because the reports are information-rich (Smith, 2016). Internal stakeholders, such as top management and organizational department heads, value integrated reporting because the data produced by the reports improves the ability to make decisions (Smith, 2016). External stakeholders like stockholders and customers value integrated reporting because the reports provide information these stakeholders use to decide whether to trust the organization (Smith, 2016). Smith (2016) noted that the value of integrated reporting is linked to the organization's disclosure of both financial and nonfinancial requirements. Smith specifically discussed the influence integrated reporting has on an organization's financial performance and identified the need for an integrated reporting framework to address specific stakeholder needs. Smith also discussed the importance that stakeholders and regulators place on additional knowledge gained through integrated reporting processes.

While Smith (2016) expressed interest in integrated reporting's influence on financial capital, other researchers, including Dumay and Dai (2017), focused on the relationship between integrated reporting and organizational culture. As part of their case study research, Dumay and Dai examined the use of integrated reporting in a single Australian bank. Dumay and Dai acknowledged the IIRC's argument that integrated reporting was a revolutionary process that would lead to culture change. Based on their findings, Dumay and Dai asserted that decision-making and information disclosure improvements resulted from the proper adoption of an integrated reporting process.

In a later study, Dumay (2018) continued to explore the value of integrating reporting by examining stakeholders' trust in disclosures reflected in an organization's reporting processes and outputs. Dumay argued that integrated reporting is developing into a reporting process that is

as significant as the intellectual capital reporting process. However, Dumay also noted that report preparers are showing signs of skepticism related to the ability of integrated reporting to facilitate true organizational transformation. Dumay posited that report preparers' lack of confidence in the power of the process to transform an organization was reflected by the low numbers of companies voluntarily producing integrated reports.

Lai et al. (2017) also analyzed integrated reporting from the perspective of report preparers. Lai et al. observed that the preparers' perspectives on the integrated reporting process influenced what organizations ultimately disclosed in their reports and how the reports were used. Lai et al. argued that both the use and trustworthiness of the integrated reporting process influenced the value of the final reports, yet all three factors were affected by the perspectives of integrated report preparers.

Several scholars suggested that the process of preparing and using integrated reports creates value for organizations (Kiliç & Kuzey, 2018; Tol et al., 2019). Tol et al. (2019) noted that the value associated with preparing integrated reports is illustrated by the IIRC's framework, which reflects the process of transforming capital inputs into valuable capital outputs. As a result of this transformation process, integrated reporting value is linked to a report's ability to broaden stakeholders' perceptions of sustainability elements (Tol et al., 2019). Tol et al. (2019) interviewed stakeholders from geographical areas outside of the United States and found that one of the strengths of adopting integrated reporting was that the process improved stakeholders' knowledge of nonfinancial capital. Tol et al.'s study revealed that during and after the process of preparing integrated reports, organizational knowledge increases, and the organization's knowledge base becomes deeper each time the process is repeated.

Kiliç and Kuzey (2018) studied the use of the IIRC's integrated reporting framework in Turkey. The study included a discussion of the political pressure in Turkey to increase transparency in organizations' nonfinancial sustainability reporting. Kiliç and Kuzey observed that integrated reporting resulted in inherent organizational benefits because greater transparency allowed organizations to secure valuable foreign investment funds. The studies by Kiliç and Kuzey and Tol et al. (2019) illustrated that the growing trend of integrated reporting preparation and use outside of the United States had promoted increased transparency through material disclosures of nonfinancial sustainability information. Using the IIRC's framework has also created organizational value by improving stakeholders' trust in organizations (Kiliç & Kuzey, 2018; Tol et al., 2019).

The blending of formal audits with distinct worldviews on qualitative and quantitative financial reporting inputs has pushed researchers to examine ways to advance the discussion of validity and reliability (Maroun, 2017). Maroun (2017) examined the integrated reports from the perspective of professional assurance standards to determine how to improve report validity and reliability. Maroun interviewed 20 auditors and 20 integrated report preparers to gain insights into the process of strengthening report credibility. Maroun asked participants to provide feedback on existing assurance standards. The result was the proposal of three distinct assurance models: a restricted model, an integrated model, and a Delphi-inspired model.

Maroun's (2017) restricted model only audited financial information and investigated inconsistencies within the reported data. The integrated assurance model established a system of checks and balances that provided a more thorough evaluation of the entire integrated report. The Delphi-inspired model was the most futuristic of Maroun's assurance models. In the Delphi-inspired model, a panel of experts would review an integrated report and provide opinions on the

report preparation methods. Regardless of the type of model, Maroun's position was clear that more evaluation must be done to validate the reliability and credibility of integrated reports.

Early Integrated Reporting Adoption

Integrated reporting has been proposed as an alternative to traditional corporate reporting, and researchers have touted many potential benefits associated with integrated reports (Adams, 2015; Zhou et al., 2017). Velte and Stawinoga (2017) attributed the increasing demand for integrated reporting to the desire to monitor nonfinancial considerations following the financial crisis in 2008 more closely. Kiliç and Kuzey (2018) acknowledged that integrated reporting allows companies to identify and disclose the level of impact they have on the environment and society. Reuter and Messner (2015) noted that the framework proposed by the IIRC has resulted in the creation of integrated reporting standards. However, empirical evidence of the benefits of integrated accounting remains elusive, and this has slowed the adoption of this reporting approach in some instances (Zhou et al., 2017).

De Villiers et al. (2014) identified many concerns related to implementing and using integrated reporting. One of the concerns revealed by de Villiers et al. was that it was difficult to truly integrate nonfinancial information with financial information to produce a single detailed report. This finding suggests that report preparers from different organizational departments face unique challenges throughout the reporting process. More recent research on integrated reporting has also highlighted the importance of the personnel who prepare and use these reports (Dumay, 2018; Lai et al., 2017; Naynar et al., 2018). For example, Naynar et al. (2018) found that the perceptions of the individuals preparing integrated reports could increase implementation difficulties in companies that adopted integrated reporting systems quickly. Additionally, Lai et

al. (2017) observed that preparers often acted as gatekeepers deciding what to include in the reports.

The existing literature discusses the evolution of integrated reporting in countries other than the United States (Dumay & Dai, 2017; Guthrie et al., 2017; Lee & Yeo, 2016; Maroun, 2018; Stubbs & Higgins, 2014). A review of the literature revealed how different countries viewed integrated reporting strengths and weaknesses (Smith, 2016; Tol et al., 2019), and various studies examined the topic from the different stakeholder viewpoints (La Torre et al., 2019; Stubbs & Higgins, 2014). Reviewing integrated reporting research from various countries provided useful insights into characteristics of use, as each country had unique requirements related to the process of creating and distributing the reports (Barth et al., 2016; Persson & Vingren, 2017).

De Villiers et al. (2014) mentioned that countries like Europe and South Africa are further along in their development of integrated reporting compared to the United States. De Villiers et al. (2014) noted that the main difference between integrated reporting in the United States and South Africa was that integrated reporting is voluntary in the United States. De Villiers et al. also highlighted multiple concerns shared by governments, organizations, and international accounting communities related to the early evolution of integrated reporting. De Villiers et al. identified the need to study the degree of nonfinancial capital disclosures being included in integrated reporting as an area in need of further investigation.

Stubbs and Higgins (2014) expressed interest in the degree of real internal changes organizations experience when fully integrating nonfinancial and financial disclosures in Australia. Stubbs and Higgins suggested that integrated reporting was not a new idea but an evolution of sustainability reporting. Stubbs and Higgins acknowledged that integrated reporting

is an evolution and has contributed to the need for increasing studies surrounding stakeholders and countries who have participated in the evolution. While the United States does not mandate integrated reporting, some U.S. companies have adopted integrated reporting (de Villiers et al., 2014). Research on countries that promote integrated reporting participation and development indicated that a great deal of study is still needed (Dumay et al., 2017; Dumay & Dai, 2017). Research should focus on more stakeholders and multiple geographical areas to further understand integrated reporting strengths and weaknesses (Smith, 2016).

Over time, countries outside of the United States have produced research that has furthered the body of knowledge surrounding integrated reporting (Dumay & Dai, 2017; Guthrie et al., 2017; Lee & Yeo, 2016; Maroun, 2018; Stubbs & Higgins, 2014). Research in other countries has revealed that embracing integrated reporting allows organizations to bolster financial strengths (Smith, 2016). Models like the IIRC's framework help guide future research and model development (de Villiers et al., 2017). Silvestri et al. (2017) noted that scholars and practitioners have developed templates to evaluate the success of integrated reporting. Acknowledgment of the need to understand and interpret the items included in integrated reports has developed into a readability award process (du Toit, 2017).

Barriers to Integrated Reporting Implementation

Adopting integrating reporting is not void of barriers (Dumay et al., 2017). Dumay et al. (2017) discussed barriers related to integrated thinking and the importance of integrated thinking as defined by the IIRC. Following the IIRC, Dumay et al. defined integrated thinking based on how organizations integrate financial and nonfinancial capital disclosures in decision-making activities. Dumay et al. discussed value creation over the short, medium, and long term because of actions brought on by decisions formed from integrated thinking. However, Dumay and Dai

(2017), who studied an Australian bank's adoption of integrated reporting, realized that integrated thinking did not result in organizational culture changes. Thus, a barrier to adoption may be related to the inability of integrated reporting to significantly influence organizational structures.

Dumay et al. (2017) also discussed another barrier to entry for the United States. Dumay et al. indicated the existence of intense pessimism surrounding the promotion of integrated reporting in the United States. This pessimism was attributed to the existing disclosure process for U.S.-based organizations. Dumay et al. indicated that because implementation is voluntary, many organizations do not seriously apply integrated reporting standards, and many organizations do not make any effort to merge their financial and nonfinancial data. Dumay et al. (2017) pointed toward the lack of integrated reporting promotion by the U.S. regulators to support claims that the U.S. government is itself a barrier to the adoption of integrated reporting processes.

Dumay et al. (2017) relied on practice theory and rhetoric diffusion to examine barriers to implementing integrated reporting. Dumay et al. synthesized the existing literature to develop insight into the practical adoption of integrated reporting with minimal organizational disruption. The existence of vague terms describing integrated reporting, integrated thinking, and value creation contributes to barriers to integrated reporting the implementation (Dumay et al., 2017). The assumption that integrated reporting relies on integrated thinking suggests that it is a significant contributor to value creation. In turn, this supports the idea that there is a uniformly acceptable definition of value, integrated thinking, and integrated reporting. Dumay et al.'s synthesis of existing literature highlighted a perceived lack of support by the IIRC for other corporate disclosure approaches (e.g., environmental, social, and governance disclosure). Dumay

et al. suggested that this perceived lack of support contributes to unhelpful rhetoric that relies on vague terms.

Understanding Integrated Reporting Through Communication

McNally et al. (2017) interviewed preparers of integrated reports to identify preparation challenges. McNally et al. (2017) noted that despite preparing integrated reports for a minimum of four years, the interviews revealed traits generally associated with implementing a new process. McNally et al. collected data that revealed minimal or no controls set to ensure validity related to the companies' environmental, social, and governance statements. McNally et al. also discovered that stakeholder involvement was less than adequate. McNally et al. recommended further exploration into how integrated report users utilized the components of such reports. McNally et al. noted that such exploration could assist in refining and promoting integrated report preparation.

Maroun (2018) interviewed preparers and auditors of integrated reports to reveal interpretive components of an assurance model. Maroun's interviewees highlighted the importance of explaining the value creation process from beginning to end. As described by Maroun, the process should promote reliable qualitative representation in the integrated report. Maroun also noted that the integrated reporting process should enhance the reliability of subjective and forward-looking statements.

Human Capital

Another important area within the literature review was the body of knowledge on human capital. McCracken et al. (2018) studied human capital reporting and disclosure in the United Kingdom. McCracken et al. examined the evolution of annual reports of companies listed on the UK stock exchange. The study covered a period of time starting before human capital disclosures

were required to the point when government mandates required nonfinancial information. The purpose was to examine the differences in disclosures. McCracken et al. discussed how some companies' human capital disclosures ranged from strong to weak. McCracken et al. noted that some companies skirted transparency in the mandated reporting by using different terminologies without sufficiently explaining the purpose of the changes.

Konara and Wei (2018) explored human capital by studying the relationships between linguistics value, an educated workforce, and foreign direct investments. Konara and Wei used quantitative descriptive statistics to determine the influence human capital has on international business. Konara and Wei's study revealed that existing human capital and perceived obtainable human capital were significant when making decisions related to mergers and acquisitions across geographical borders. Konara and Wei also discuss the role language plays in making decisions related to entering different global markets. Konara and Wei suggested that future research explore various types of investments in foreign initiatives and broaden the scope to include societal resources affiliated with human capital. Konara and Wei's exploration of relationships between investments in foreign initiatives, the value of language, and an educated workforce revealed the importance of human interaction and the need to account for the valuation of those relationships in reporting.

Oh et al. (2018) examined human capital at the top of an organization by studying the relationship between the CEO tenure, corporate responsibility, and the influence corporations have on society. Oh et al.'s quantitative study revealed that longer CEO tenure negatively correlates to corporate social responsibility. The negative correlation meant that as CEO tenure increased, social responsibility decreased. The correlation was stronger than the positive correlation between CEO tenure and corporate social responsibility expansion. Oh et al.

suggested that future researchers explore how social responsibility outcomes influence CEO behaviors separate from the concept of CEO tenure. Oh et al.'s examination of how human capital related to tenure based on the highest-ranking human in most organizations revealed that organizations value human knowledge and experiences over time. However, knowledge and experience do not always result in increased social responsibility.

Dubos (2017) discussed research frameworks that ranged from the neocapital theories to human capital. Dubos described human capital as the value of labor above what was predicted as the value of labor. Dubos explained that human capital represented investments that increased employees' skills and overall technical knowledge. Dubos stated that as part of human capital theory, wage differences were influenced by the workforce education level. Workers with the highest education levels are perceived to have higher human capital value (Dubos, 2017).

Typically, organizations have not focused on the human capital aspect of nonfinancial reporting; however, General Electric (2019) is one U.S. company that is voluntarily embracing integrated reporting. General Electric's annual reports reflect some disclosures recommended by the IIRC (2019c), including disclosures related to human capital. General Electric (2019) acknowledged that the process of reporting previously ignored nonfinancial information differs from their standard financial reporting processes.

Marginson (2017) studied the limitations embedded in human capital theory and concluded that the most predominant weaknesses of the theory-related research were scholars' reliance on a singular focus when describing reality. Marginson acknowledged the premise that increased education increases the value of human capital. However, Marginson also recognized that inequity in pay and employee promotions exist regardless of employees' educational accomplishments. Thus, focusing solely on education would not have provided a thorough

assessment of human capital. In addition to assessing multiple human capital metrics, Marginson suggested that studies applying human capital theory consider both qualitative and quantitative approaches to address the realities of workplace dynamics and employee incentives. In examining the value of human capital, Marginson concluded that more metrics were better than one when examining value.

Jin and Waldman (2020) studied the changes in wages and promotions of employees considering lateral moves. Participants' education levels were also examined. Jin and Waldman's results suggested that employees willing to take lateral moves experience greater increases in wages and promotions compared to those with higher formal education. Jin and Waldman's study highlighted the limitations of human capital theory and implied that the work experience and expertise derived from accepting lateral moves is not included in the description of formal education.

In another study on human capital, Cooper and Davis (2017) explored differences and similarities between screening theory and human capital theory when studying employee production. Cooper and Davis indicated that both theories value education to increase employee production. Cooper and Davis indicated that while screening theory highlights the education level as a predictor of future employee production, human capital theory promotes the idea that applied education is a direct link to production rather than just a predictor. Cooper and Davis's study suggested that combining education level with ongoing training and development of specific job-related skills is valuable to increasing employee development and organizational production.

Fix (2018) explored the limits of human capital theory to explain employee production. The results of Fix's study revealed that factors beyond education or training could influence

employees' production and earnings. Fix suggested that, at minimum, equal levels of importance should be given to an organization's bureaucracy and employees' ability to behave as a team player compared to education and on the job training. Fix acknowledged that little research explores the influence of organizational politics in employee development and earnings and recommended that future scholars explore human capital in qualitative ways.

Winterton and Cafferkey (2019) also examined human capital theory application and evolution. The purpose of Winterton and Cafferkey's study was to explain how employee development addresses human capital theory's assumptions and limitations. Winterton and Cafferkey acknowledged that barriers to employee development include obstacles other than education and training. According to Winterton and Cafferkey, internal office politics and the ability of employees to navigate organizational bureaucracy represent elements of on-the-job training. Winterton and Cafferkey concluded that these elements should be considered supplementary elements of human capital theory rather than conflict theory elements.

Ritter (2016) discussed the human capital theory and the application of the theory in countries that are experiencing growth. Ritter acknowledged that diverting financial resources to areas of education and health was good for individual employees, organizations, and developing countries. Conversely, Ritter stated that governments who do not support individual development and instead impede the growth of knowledge within the workforce inhibit growth within the country, damaging industries, organizations, and individuals. Compared to other countries, the United States has not acted aggressively in advocating the use or implementation of integrated reporting.

Potter and Heckman (2018) conducted a study using human capital theory to explore business owners. Potter and Heckman examined multiple factors related to the success of a

business and compared these to business failures that resulted in going out of business. Results of Potter and Heckman's study indicated that the knowledge obtained by business owners related to increasing education in managing money was an important factor in the prediction of a business's survival and success. The study's findings fully supported the use of human capital theory.

Synthesis of the Research Findings

Modern societies are characterized by complexity, and this complexity and its associated deficits in transparency have resulted in a loss of trust in the four pillars of modern society, government, media organizations, nongovernmental organizations, and business (Dumay, 2018). Modern society's complex structures are reflected by publicly traded corporations' scale and structures (Dumay, 2018; Lee & Yeo, 2016). Such complexity is associated with a lack of transparency in such corporations' reporting (Barth et al., 2016; Chaidali & Jones, 2017; Dumay, 2018). This lack of transparency is caused by organizational complexity as the self-interest of corporate insiders (Chaidali & Jones, 2017; Dumay, 2018; Lee & Yeo, 2016). As a consequence, this has resulted in calls for better reporting by regulators such as the Johannesburg stock exchange, supranational bodies such as the European Union, and nongovernmental organizations concerned with good corporate governance such as the IIRC (Chaidali & Jones, 2017; de Villiers et al., 2017; Dumay, 2018; Lee & Yeo, 2016; Persson & Vingren, 2017).

Complex organizations have triggered previous attempts at improving reporting of aspects of their organizations perceived as important to investors or the broader society (Dumay, 2018; Pistoni et al., 2018). Examples of such previous attempts have included intellectual capital reporting and sustainability reporting (Dumay, 2018; Farooq et al., 2018; La Torre et al., 2019). These previous attempts provide insight into only portions of complex organizations and have

also struggled to gain traction with regulators and corporations (de Villiers et al., 2017; Dumay, 2018). De Villiers et al. (2017) noted that complex organizations exhibit many internal feedback loops, and the causal links related to such feedback loops could be bidirectional and link entities both internal and external to the organization. As a result, regulators and stakeholders perceived a need for reporting that holistically captured all such complex organizations' interrelationships (Barth et al., 2016; du Toit, 2017). These needs drove the creation of integrated reporting, specifically designed to provide more transparency for stakeholders and civil society while providing the senior management of such organizations substantially better-quality information to support decision-making.

Human resources management has become critical to modern corporations seeking both to maintain and extend competitive advantage (Keen, 2017). Human capital can be difficult to measure in terms of its value to a corporation and how human resources interact with different aspects of modern organizations (de Villiers et al., 2017). As a result, integrated reporting that is rooted in an integrated thinking philosophy appears to best address reporting on the interconnections between organizational data types missing in traditional retrospective reports and not provided in sustainability reports (de Villiers et al., 2017).

Rinaldi et al. (2018) noted that the emerging literature on integrated reporting was fragmented despite 65 papers available for their review. Rinaldi et al. also noted that much was not understood about integrated reporting, its merits, and its application. The substantial gaps in understanding about integrated reporting and the fragmented literature are likely the result of the newness of the research focus. De Villiers et al.'s (2017) creation of a conceptual model designed to facilitate examination of integrated reporting is also a sign of the topic's novelty.

Pistoni et al. (2018) noted that integrated reporting is not yet widespread internationally and where it is in use is often not fully implemented. Pistoni et al. found that organizations using integrated reporting provided reports that exhibited a paucity of information in crucial reporting areas such as strategic priorities, the business model, capital, and the reporting organization's value creation process; a result also extensively found by Kiliç and Kuzey (2018) in their investigation of integrated reporting in Turkey's stock markets. Pistoni et al. concluded that report writers focused greater attention on complying with the form of integrated reports than on their content. It could also be speculated that either the senior management of the reporting organizations had low buy-in to the merits of integrated reporting or, in some cases, might perceive the much greater disclosure of all aspects of their organizations' operations was against their self-interests. It must also be noted that where integrated reporting provides a paucity of information in crucial reporting areas, it does not foster increased trust in external stakeholders. Such a lack of trust is precisely why the European Union issued a directive specifically requiring larger organizations over 500 employees to provide much greater disclosure of their operations in social and financial dimensions (Dumay, 2018).

The complexity of modern organizations drives the need for integrated reporting and reports written in complex language matching organizational complexity have higher perceived quality (du Toit, 2017). Du Toit noted that this presented a difficulty for readers as complex language was negatively correlated with readability. A lack of readability, in turn, correlated with poor comprehension of the reports' contents by readers. Stone and Lodhia (2019) building on the work of du Toit (2017) globally, found that integrated report readability was poor and has not improved over a 4-year period nor were there indications it would improve in future. Caglio et al. (2020) concurred and found that the textual attributes of an organization's integrated

reports externally affected stakeholder perceptions and valuations of the organization in the dimensions of readability, conciseness, and tone bias. As Stone and Lodhia noted, these results fly in the face of the IIRC's specific goals for report comprehensibility. Such lack of clarity and crucial information resulting in a lack of overall disclosure provided by integrated reports would appear to also feed into ongoing societal trust issues related to corporations and, as noted by Stone and Lodhia as well as by Kiliç and Kuzey (2018), attract more attention from regulators and legislators as well.

Caglio et al. (2020) found three dimensions of integrated reporting associated with value creation. The first dimension, readability, was associated with higher stock market valuations. Conciseness was associated with increased stock market liquidity, and tone bias associated with market analysts providing less dispersed valuation estimates. Smith (2016) noted that integrated reporting can also create value when stakeholders' trust a reports' contents. Dumay (2018) also noted that integrated reporting could create value when the reporting was perceived as trustworthy. Tol et al. (2019) found that the act of preparing an integrated reporting created value as well. Nonetheless, the extant literature made clear that most integrated reporting is difficult to comprehend, lacking in crucial detail and crucial disclosures such as of risk and not able to deliver the level of trust on the part of readers that would generate real gains for the reporting organizations (Dumay, 2018; Kiliç & Kuzey, 2018).

While some early adopters have gained benefits from integrated reporting (Caglio et al., 2020; Lee & Yeo, 2016), many, as noted by Zhou et al. (2017), have found benefits to be elusive. This elusiveness may be related to the difficulties in producing integrated reporting, as noted by de Villiers et al. (2014). It may also be related to organizations' reluctance to provide full disclosure. Early adopters and other organizations contemplating implementing IR also face

barriers to adoption. Dumay et al. (2017) noted that a lack of precision in the definitions and descriptions of what constituted the integrated reporting elements were barriers. McNally et al. (2017) also noted that preparers had many challenges in preparing integrated reports. McNally also noted that the lack of stakeholder involvement was a barrier to integrated reporting adoption. It may be speculated that this is also related to stakeholder self-interest issues that are opposed to broader organizational or societal interests.

Critique of Previous Research Methods

Much of the research on integrated reporting is focused on specific countries (Dumay & Dai, 2017; Farooq et al., 2018; Guthrie et al., 2017; Lee & Yeo, 2016; Maroun, 2018; Stubbs & Higgins, 2014). Stubbs and Higgins (2014) interviewed individuals representing management staff from 15 organizations based in Australia who had adopted an integrated reporting format. Because of the study's geographical limitation, Stubbs and Higgins recommended that further research compare integrated reporting in other countries. Farooq et al. (2018) studied companies providing integrated reports to the Turkish stock exchange, and they found widespread and severe deficiencies in overall disclosure and particularly of risk disclosure specific to organizations. Farooq et al. also recommended more research in other countries. Lee and Yeo (2016) studied integrated reporting in South Africa and found that integrated reporting systems had many benefits, including increased firm valuation, access to capital, revenue, and performance. Unfortunately, because the study was conducted in South Africa, Lee and Yeo's findings were not generalizable to the United States. Dumay and Dai (2017), Guthrie et al. (2017), and Maroun (2018) also all conducted integrated reporting focused on specific countries. Because of the differences in reporting requirements, these studies highlighted the value of conducting additional research in the United States. This research addressed a gap in the existing

literature by examining human resource managers' use of integrated reporting in U.S. businesses to determine how these reports are used to maximize human capital.

Dumay (2018) noted that most citizens of the advanced economies of the European Union distrusted the four pillars of society, government, media organizations, nongovernmental organizations, and business. In turn, this distrust was driving new legislation, including a European Union directive compelling European Union companies over 500 employees to provide much fuller disclosure and over many more dimensions than previous reporting requirements. Despite being constituted of advanced economies, the European Union is socially and economically very distinct from the United States or advanced economies in Asia and elsewhere. As a result, the generalizability of Dumay's work to other advanced economies may be limited. Overall, the limited implementation of integrated reporting and the fact that it has been implemented in different jurisdictions at different times has contributed to the extant literature on integrated reporting possessing few international or global studies.

De Villiers et al. (2017) developed a new conceptual model that facilitated the examination of integrated reporting. This new model was constructed based on the findings of prior literature. De Villiers et al. also identified areas for future research into issues surrounding integrated reporting. De Villiers et al. stated that the new conceptual model could be used as a framework to assist in understanding and thinking about influences on integrated reporting and as an organizing framework for analysis that would allow the identification of new factors that could be controlled for in future studies. De Villiers et al. also noted that the conceptual model could assist future researchers in identifying novel, pertinent or underexplored research questions.

De Villiers et al.'s (2017) model has not been available to other scholars long enough to be well validated in multiple studies. If de Villiers et al.'s model can deliver on its promise, it may become a very important tool in the future study of integrated reporting. Nonetheless, important theoretical models require substantial validation, and reliance on de Villiers et al.'s model must be limited until it can be better validated. Pistoni et al. (2018) developed a new scoring model and integrated reporting scoreboard to assess integrated report quality. The case of Pistoni et al.'s model is similar to that of de Villiers et al.'s (2017) model. The model shows great promise but requires further validation in multiple additional studies before it can be considered to be fully reliable. The issues with these models highlight how the new study of integrated reporting is and its perceived importance.

Summary

This chapter contained an examination of the scholarly literature related to integrated reporting. Chapter 2 started with an examination of the search criteria used to identify relevant literature. Next, the chapter described the theoretical orientation used in this research. The theoretical orientation section was followed by the main literature review on integrated reporting and human capital. Finally, the chapter contained a synthesis of the main findings from the literature and a critique of previous research methods. Chapter 3 presents the study's methodology.

CHAPTER 3. METHODOLOGY

Chapter 3 contains a description of the study's research design and the procedures used to conduct the research. Chapter 3 begins with a recapitulation of the study's purpose and research questions. Chapter 3 continues with information on the research design and details the study's target population and the sample frame. Next, Chapter 3 contains a description of the research procedures governing participant selection and protection and data collection and analysis. Chapter 4 then outlines my role as the researcher, the guiding interview questions, and relevant ethical considerations. The chapter concludes with a summary.

Purpose of the Study

The purpose of this qualitative inquiry research was to use human capital theory to understand human resource managers' perspectives of integrated reporting. The goal was also to determine how integrated reports could be used in U.S. organizations to maximize human capital. Allowing input from internal leadership, including human resource leadership, can minimize integrated reporting barriers (Lai et al., 2017). The study focused on input from human resource managers to develop a better understanding of internal leadership. Human resource managers' use of integrated reporting to maximize human capital is generally defined as the use of consolidated corporate reports on strategy, governance, and employee performance to improve organizational culture and create short-, medium-, and long-term value in the context of human capital and the integrated reporting framework (Dumay & Dai, 2017; IIRC, 2019a; Teixeira, 2017).

This study extended human capital theory by applying the IIRC's (2019b) integrated reporting framework to determine how integrated reporting processes support human capital creation. Following guidance on expert sampling from Etikan, Musa, and Alkassim (2016), I

solicited U.S. human resource managers with expertise in human capital development and integrated reporting over a minimum of two years or two reporting cycles. I then interviewed participants and analyzed collected data following generic qualitative inquiry research methods described by Percy et al. (2015). The findings addressed the literature gap associated with the lack of empirical evidence of using the integrated reporting process to develop human capital in the United States.

Research Questions

Primary Research Question

What are human resource managers' perspectives on integrated reporting?

Research Subquestions

Subquestion 1. How do human resource managers prepare human resource information for inclusion in the report?

Subquestion 2. How do human resource managers use information from the overall report to maximize human capital?

Research Design

The study used generic qualitative inquiry research methods, as described by Percy et al. (2015). The research involved interviewing human resource managers about their perceptions of integrated reporting and its use concerning the development of human capital resources in U.S. businesses. The research was not guided by any preconceptions about the perspectives of human resource managers regarding integrated reporting. Research on this topic is presently limited by the newness of the concept, limited implementation in the United States, and the lack of a systemic evaluation of the influence of integrated reporting.

Data were collected through interviews with 16 human resource managers who work in U.S. businesses and had experience using integrated reporting. One-on-one interviews were conducted via telephone or a voice over Internet protocol (VOIP) equivalent. The interview guide provided a structure for the interview process, and all the participants answered the same open-ended questions. Open-ended questions encouraged the participants to provide detailed answers about their experiences and perceptions. The interviews were audio-recorded and transcribed. Participants verified the transcripts' accuracy before the data analysis was completed following Percy et al.'s (2015) guidelines for generic qualitative inquiry research. The findings were then used to answer the study's research questions. Prior research suggests that more data was needed to understand the use of integrated reporting in the United States (Stubbs & Higgins, 2014). The study allows practitioners and scholars to understand the value and potential strengths of integrated reporting processes.

Target Population and Sample

In this section, information is provided on the study's target population and sample. The population subsection presents the characteristics of human resource managers with experience working with integrated reports in the United States. The sample subsection contains information on the sampling approach, the sampling frame, and the study's inclusion and exclusion criteria.

Population

The study's target population consisted of U.S. human resource executives working in organizations that use integrated reporting processes over multiple reporting cycles. Human resource professionals work in human resource departments and use corporate reports on strategy, governance, and employee performance to improve organizational culture and create human capital (Dumay & Dai, 2017; Teixeira, 2017). Human resource professionals select and

enforce organizational policies to promote productive and safe work environments (Guest, 2017). The specific population of interest had experience preparing integrated reports. The study focused on human resource executives working in medium to large organizations because these organizations typically use integrated reporting. The target population had experience working with integrated reports to improve human capital.

Sample

The sample was selected to be representative of the population. A purposive sampling approach was identified as the best strategy for selecting participants. In purposive sampling, researchers intentionally select participants aligned with the study's purpose (Etikan, Musa, & Alkassim, 2016). The participants for this study were specifically chosen based on their experience working with integrated reporting.

Inclusion and exclusion criteria ensured the sample was an accurate representation of the target population. The study's inclusion criteria were as follows:

- Participants needed to be 21 years of age or older.
- Participants had to work in an executive role in human resources.
- Participants must have worked for their current company for a minimum of 2 years.
- Participants had to have participated in the preparation of integrated reports for a minimum of 2 years.
- As part of their position as human resource executives, participants were required to have the authority to make human resource disclosures on integrated reports.

Exclusion criteria were also used to ensure that the study's sample aligned with the target population characteristics. Participants were excluded from the study if they met the following conditions:

- They were under the age of 21.
- They did not work as human resources executives.
- They had not worked for the same company for a minimum of 2 years.
- They had not participated in the preparation of integrated reports for a minimum of 2 years.
- They did not have the authority to make human resource disclosures on integrated reports.

The inclusion and exclusion criteria were designed to select participants with experiences and interactions related to developing and completing the integrated report's human capital section. Thus, the inclusion and exclusion criteria served to tailor the sample characteristics to meet the target population's characteristics.

Procedures

The following subsections present the procedures used to conduct the study. First, the procedures used to select the participants are presented, followed by the procedures for protecting participants. Next, the data collection procedures are shared. The final set of procedures addresses the steps used to analyze the data.

Participant Selection

Human resource executives were solicited from an organization called User Interviews Inc. User Interviews Inc. specializes in obtaining participants for qualitative research interviews. I provided User Interviews Inc. with the study's inclusion and exclusion criteria, and the organization located potential participants that fit the criteria. I contacted prospective participants and provided information about the study, a copy of the informed consent form, and available

dates and times for potential interviews. User Interviews Inc. facilitated the scheduling process for participants' interviews.

Before conducting the interviews, I asked the prospective participants to read the material and contact me with any questions. Additionally, before commencing each interview, I reviewed the participants' rights and the study's purpose with each participant. I also verified the participants' qualifications to participate in the study based on the inclusion and exclusion criteria. Participants that did not meet the study's requirements were thanked for their time, and the prospective interview was canceled. The participant selection process's final step before data collection began was to obtain a signed consent form from the participant.

In determining the sample size, consideration was given to obtaining enough participants to meet the minimum saturation level. Percy et al. (2015) asserted that having a knowledgeable but small sample size was ideal for obtaining necessary information in a generic qualitative inquiry with a minimum saturation level. Sim et al. (2018) noted that qualitative researchers use many guidelines when determining sample size. Sim et al. (2018) stated that the sample size should be between 12 and 20 participants when studies involve interviews. The study's sample included 16 human resource managers in the United States.

Protection of Participants

Several research measures protected participants during the study. First, I protected participants' autonomy by providing an informed consent document. The informed consent document allowed participants to choose to participate based on the study's purpose and participants' rights. Second, I protected participants' privacy by assigning a unique pseudonym to each participant (i.e., P1, P2, P3). The unique identifiers minimized privacy risks and allowed for improved accuracy of data (Birt et al., 2016). Participants' responses were also scrubbed for

potentially identifying information. The deidentification process ensured that participants would not be identified based on their statements and responses to research questions.

The third way in which participants were protected was through the processing and storage of data. Data integrity is critical to credibility and dependability of qualitative research (Hammarberg et al., 2016). Participant interviews were transcribed, and member checked by participants to verify the accuracy of the transcripts. Following the collection and transcription processes, the data were stored securely on both a mobile jump drive and a hard drive. Only I had access to the drives. During the study's data analysis phase, all data were kept securely in my office. Following the completion of the study, the data was transferred to an external hard drive and placed in a locked safe. The data will be kept for 7 years before being destroyed.

Data Collection

Data collection began after each participant provided a signed consent form. The data collection took place through interviews over Skype. As the first step in the data collection process, I called preselected participants using the phone number provided by User Interviews Inc. The second data collection step involved providing participants with important information about the study. I reminded participants that the purpose of the interview was to explore how human resource executives in the United States perceive integrated reporting and how human resource executives use integrated reporting processes to build human capital. The participants were also made aware of the two recording devices activated at the beginning of the interview process. The participants were reminded that participation was voluntary and that they could decide to end the interview at any time for any reason. The third data collection step involved obtaining participants' consent to record the interviews, and the fourth step was to begin the question process.

During the interview, the participants answered a set of open-ended interview questions designed based on human capital theory. The researcher-designed guiding interview questions are introduced later in Chapter 3. Two audio recording devices were used, including a recording feature on Skype to record the participants' responses. The interviewer also took notes during the interviews to document observations about participants' tone or demeanor. Note taking assisted in the transcription review and offered a source of data triangulation. After the interview, I notified User Interviews Inc. that the interview occurred. After receiving notification of each completed interview, User Interviews Inc. sent a gift card to participants.

Data Analysis

The data analysis followed a step-by-step process described by Percy et al. (2015). Percy et al. identified three different techniques for analyzing data in generic qualitative inquiry research. The technique chosen for the study used theoretical analysis. The predetermined themes used to guide the analysis were derived from the human capital theory, as discussed by Teixeira (2017). The predetermined themes included the ability to identify and describe human capital characteristics, the application of education and training to human capital, and the ability to identify and describe changes in human capital value. The analysis process included the following 13 steps.

Step 1. I read and reread the transcribed interviews and all field notes and observations recorded during the interviews highlighting all the meaningful statements related to human capital theory and the study's research questions.

Step 2. I reviewed each participant's data individually, examining the highlighted data to determine if each data point was relevant to the research questions.

Step 3. I separated all the unrelated data into a separate file for later review.

Step 4. I labeled each data item using a descriptive code.

Step 5. I grouped data items to form clusters and determine whether patterns had emerged from the data.

Step 6. I evaluated whether the patterns identified in Step 5 related to predetermined themes. When patterns were related to a predetermined theme, direct quotes were taken from the transcripts and set aside to describe and define the pattern later.

Step 7. I removed the unrelated patterns from the dataset and placed them in a separate file for further evaluation later in the analysis process.

Step 8. I reviewed the patterns until overarching themes emerged. As part of Step 8, patterns were grouped and clustered to make sense of the emergent themes.

Step 9. I created a list of all the themes and their supporting patterns.

Step 10. I reviewed the patterns removed from the dataset during Step 7 to determine whether new themes had emerged as part of the analysis process.

Step 11. I created a detailed description of each theme.

Step 12. I used quotes from the participants to support each theme description.

Step 13. I created a composite synthesis of the findings concerning the study's research question.

Instruments

The Role of the Researcher

In a qualitative approach, researchers take on the role of a data collection instrument rather than just a data recorder (Wa-Mbaleka, 2019). I posed questions to the interviewees and acted as an instrument by determining which responses needed to be investigated further (Wa-Mbaleka, 2019). By interacting with interviewees, I acted as a sophisticated data collection tool.

While the interaction between researchers and human subjects during the active data collection process is valuable, it also poses a risk. Bias could have caused interviewees to respond in a less accurate way supporting my preconceptions. To minimize the effect of researcher bias, I utilized bracketing, as described by Creswell and Poth (2017). I identified bias, and as described by Creswell and Poth (2017) and Bloomberg and Volpe (2018), set aside all preconceived opinions and thoughts about integrated reporting to avoid inadvertently steering interviewees' responses toward any predetermined beliefs.

My background and training were limited concerning conducting qualitative approach interviews. While I had 10 years of experience conducting employment-related interviews, making hiring decisions, making termination decisions, training employees, and referring employees for advancements, I had minimal experience conducting qualitative research. However, I practiced observing others to strengthen my observational skills. One tool that was deployed during the interviews included performing dual audio recording. I also practiced recording and playing back the recording to ensure the capturing of data.

I performed mock interviews using dual audio recordings. These interviews included subject matter experts playing the role of human resource executive participants. The purpose of the mock interview was to understand the flow of questions and interactions better. I determined the appropriate amount of time needed to conduct the actual interviews by accounting for the time required during the mock interview to ask questions, record responses, and ask any follow-

up questions. The subject matter experts provided input on how well I communicated during the mock interviews. The mock interviews helped the actual interview flow naturally while collecting as much actual useful data as possible.

Researcher-Designed Guiding Interview Questions

I identified a panel of five subject matter experts for the purpose of pilot testing the interview guide. The five subject matter experts worked in human resource-related fields. Two of the five worked for my current employer, and the other two had worked previously with me. These subject matter experts all worked in human resource leadership. To ensure a minimum of three and a maximum of five experts, the initial two experts provided access to other human resource leaders that offered feedback on the interview guide. This referral process, described by Etikan, Alkassim, and Abubakar (2016) as snowballing, was used to ensure a small yet qualified expert panel.

The panel reviewed the interview questions addressed to human resource executives based on the IIRC's (2019b) integrated reporting framework. The expert panel provided feedback on the phrasing, order, and relevance of some of the questions. The following interview guide questions were the result of the feedback from the pilot testing.

1. How long have you been in your role as a human resource executive?
 - A. How long have you been employed at your organization?
 - B. What attracted you to the human resource industry?
2. When were you first exposed to integrated reporting?
 - A. What circumstance led to your exposure to integrated reporting?
3. How many years has your organization been preparing and making integrated reports public?

- A. How would you describe your knowledge of integrated reporting?
 - B. How would you describe your knowledge of integrated reporting before taking on your current role as a human resource executive?
4. How do you decide what information to publish in the employee section of the integrated report?
 - A. Has this process changed over time?
 - B. Has it been the same process over the last couple of years? If the process has changed, how has it changed?
5. What information have you published in the employee section of the integrated reports?
 - A. Was the published information what was initially intended to be published?
 - B. If it was not, what was initially intended to be published, and what factors went into making the changes?
6. What information from the overall integrated report do you use as the leadership of human resources?
 - A. Has leadership in other departments expressed interest in the information you disclosed in the employee section?
 - B. How has the information you disclosed in the employee section influenced the other departments?
7. How do you use the information in the overall integrated report as the leadership of human resources?
 - A. Has the process of utilizing other department disclosures changed overtime?
 - B. If that process has changed, how has it changed?

8. What information in the integrated report has had the most impact on employee development?
 - A. What information in the integrated report has had the least impact?
9. How has the use of integrated reports changed employee development in your organization?
 - A. Have any of those changes, positive or negative, had any long-term impact?
10. What changes to integrated reporting do you see taking place in the future?
 - A. Do you feel these changes, positive or negative, have any long-term sustainability?

Ethical Considerations

Ethical considerations guiding this study included safeguarding the privacy of participants and minimizing researcher biases. *The Belmont Report* (U.S. Department of Health & Human Services, 1979) served as foundational guidance outlining the principles of respect for persons, beneficence, and justice. The principle of respect for persons requires researchers to ensure participants act voluntarily and with agency when taking part in a study (U.S. Department of Health & Human Services, 1979). Participants received information about the study via an informed consent document before agreeing to participate in the study. The informed consent document included details about the participants' rights and the study's requirements. Based on this information, participants could decide to participate.

The principle of beneficence requires researchers to minimize participants' risk and maximize their benefits (U.S. Department of Health & Human Services, 1979). One way to reduced potential risk was to ensure participants that their identities were protected and that no private information would be shared in the report. A unique identifier number was assigned to

each participant to protect participants' privacy, and all information that might accidentally identify a participant was removed from the reported data. The creation of unique identifiers minimized privacy risks and allowed for improved accuracy of data (Birt et al., 2016).

The third principle of *The Belmont Report* (U.S. Department of Health & Human Services, 1979) was the principle of justice. Justice in research means that participants are treated fairly and equally within the research procedures. To identify researcher bias, I recorded the interviews and evaluated results to ensure the research process was transparent and fair, and no participant coercion occurred. I also used an interview guide to ensure that the participants all answered the same questions. Together, these steps supported the principle of justice.

In addition to the three principles of *The Belmont Report* (U.S. Department of Health & Human Services, 1979), data security and privacy were also ethical concerns in the study. The collected data were stored in both a mobile jump drive and a hard drive. Both drives were only accessible by me. The data will remain on a password-protected hard drive until 7 years have passed. At that time, I will erase the material and delete the stored data. The study included no conflict of interest, and Capella University's Institutional Review Board approved all aspects of the study before the data collection and analysis processes began.

Summary

Chapter 3 consisted of information on the research elements used to conduct the study. The chapter began with a reintroduction of the purpose of the study and the research questions. The study incorporated a generical qualitative inquiry research design, and this design was examined in detail. Attention was also given to the study's target population and the sampling strategy used to select participants. Sections of the chapter covered the research procedures and actions taken to select and protect the participants. The data collection and analysis processes

were also enumerated. My role as the researcher was then examined, along with the guiding interview questions. The chapter concluded with a description of the relevant ethical considerations. Chapter 4 extends the discussion of the study with details about the collected data and the results of the data analysis process.

CHAPTER 4. PRESENTATION OF THE DATA

This chapter addresses the research questions by describing findings interpreted from a thematic analysis of 16 interviews of human resource professionals. The purpose of this qualitative inquiry research was to use human capital theory to understand human resource managers' perspectives of integrated reporting. The goal was also to determine how integrated reports can be used to maximize human capital. Chapter 4 contains the description of the evolution of themes brought about from analyzing responses from interviewing participants. Beginning with background information about the study and the researcher. The analysis and the analysis process are also described in Chapter 4. This chapter concludes with the results of the analysis and summarization.

Introduction: The Study and the Researcher

The goal of this research was to analyze the perceptions of human resource managers on integrated reporting through the lens of human capital theory. There is a lack of knowledge regarding how human resource executives use integrated reporting to maximize human capital in the United States. Dumay and Dai (2017) asserted that more study was needed to see if integrated reporting could contribute to organizations' ability to solve governance, strategy, and management control problems. The study was needed to explore the process and application of integrated reporting to prepare for broader usage within the United States.

The Researcher

I have over 15 years of experience working as either a supervisor or manager with roles involving hiring new employees, training existing employees, retaining valuable employees, and terminating low-value employees. My experience in the financial services industry involved working both as an employee responsible for the production of integrated reports and as the manager responsible for team report production. From these years of experiences, I developed an interest in human capital, the management skills to improve human capital production, and processes that need to take place to facilitate and track human capital valuation. Integrated reporting of human capital and human resource managers' perceptions of the reports are of interest to me because of my work experience.

My experience as both a report producer and someone who has managed other report producers contributed to my qualification to conduct this study. I possess a Master's degree in Business Administration with a concentration in human resources, and I have taught several courses focused on human resources and organizational behavior. I have interviewed potential workers, trained existing workers, and terminated workers. Discussing human capital and the topics surrounding human capital was familiar to me.

The Study

I collected data by capturing the responses provided by participants selected through a process involving the organization User Interviews Inc. This organization specializes in assisting researchers in obtaining participants. After sharing the inclusion and exclusion criteria with User Interviews Inc., the organization located prospects that fit the study's requirements. I scheduled the interview dates and times. The participants provided a signed consent form. The participants

agreed to have the interview recorded. On the date of each interview, I operated two recording devices. The data was captured by both recording devices and my handwritten notes.

Steps outlined by Percy et al. (2015) dictated my actions in analyzing the data collected from the generic qualitative inquiry. Each participant was assigned a unique identifier in place of the name. I focused on one participant at a time while highlighting and separating relevant data to address the research questions. I assigned descriptive codes to relevant highlighted data and identified patterns in descriptive coding and the relevant highlighted data. I then connected the patterns to the predetermined themes identified during the literature review. The first predetermined theme was that human capital characteristics can be identified and described. The second predetermined theme was that education and training can be applied to human capital. The third predetermined theme was that human capital value changes can be identified and described. I moved on from the first participant and repeated the process for the remaining participants. The process of analysis continued until no new codes, patterns, and themes were identified in the data. Nascimento et al. (2018) noted that data saturation is met at the point where no new information is obtained from subsequent interviews. Because the processes of data collection and analysis occurred concurrently, it was possible to use saturation to determine when enough participants had been interviewed (Saunders et al., 2018).

I developed overall themes based on the analysis. I then took the patterns related to the predetermined themes and the patterns not related to the existing themes and discovered some overarching themes that address the research questions. I then reexamined the highlighted nonrelevant data to determine if new or unexpected themes emerged from the data. The analysis process enabled me to observe five overarching themes.

Participants' responses were reviewed using an analytic process that combined data and organized the responses to be evaluated. Efforts were taken to minimize bias while conducting interviews with participants. These steps included the use of an audit trail, triangulation, and setting aside preconceptions about the topic and the data as described by Abdalla et al. (2018), Belotto (2018), and Vaismoradi and Snelgrove (2019). I avoided providing a personal perspective on integrated reporting by asking questions to encourage each participant to provide their personal perspectives. Each participant was encouraged to provide any additional information they felt would be relevant to the study. The data were analyzed without participant names, using unique identifiers. The process of collecting and analyzing data was conducted, taking every available opportunity to minimize bias and protect the participants' privacy.

Description of the Sample

Participant Demographics

The sample included 16 participants consisting of men and women human resource managers with experiences in human resources ranging from 2 years to 25 years. Table 1 contains information on the participants' demographics, including their gender, length of time in their role, length of time with their companies, and the length of exposure to integrated reporting. The participants have worked in industries related to healthcare, education, and artificial intelligence. The participants' education levels included graduate and postgraduate backgrounds. Their experiences using integrated reporting ranged from novice to well-versed in the practice of preparing and using the reporting process in conjunction with corporate goals and mandates.

Protection of the Participants

Ethical considerations made it necessary to protect participants' privacy. Thus, considerations were made to avoid collecting personally identifying data. Individual details of

the participants' specific job titles and personal characteristics were not reported to avoid inadvertently identifying any of the participants or the companies where they worked.

Additionally, experience lengths were rounded to the nearest year.

Table 1

Participants' Demographics

Participant	Gender	Length of time in Role	Length of time with company	Length of exposure to integrated reporting
1	W	4	4	10
2	M	7	20	20
3	W	25	6	16
4	M	7	5	9
5	W	5	5	2
6	W	3	3	15
7	W	7	2	7
8	W	5	10	2
9	W	4	4	3
10	M	13	7	1
11	W	6	6	3
12	W	2	2	9
13	W	4	6	6
14	W	3	21	3
15	W	3	3	2
16	W	12	4.5	20

Research Methodology Applied to the Data Analysis

The generic qualitative inquiry methodology applies directly to data analysis. To analyze the data, the data must first be collected. The methodology recognizes the limitations of qualitative researchers when collecting data from participants. An interview format was used to collect the data. After the collection of the signed consent form and indication from participants that they were permitting the interview to be recorded, I proceeded to ask the questions outlined in the interview guide. Relying on the perspective, memory, and knowledge level of the participants presented limitations that relate directly to generic qualitative inquiry methodology. During the question-and-answer session, the participants were encouraged to reflect on circumstances that applied to their responses. After the collection of the data from all the participants, the analysis was performed. The responses were analyzed using the procedure described by Percy et al. (2015) as appropriate for a generic qualitative inquiry approach. The analysis process followed 13 steps.

Step 1. Review interview data including transcriptions, notes, and audio recordings multiple times, each time focusing on statements associated with the research questions and human capital theory. I identified relevant statements by highlighting the verbiage. This verbiage was derived from participants' perspectives of events related to the questions being asked.

Step 2. Examine the highlighted data and compared it to the research questions for relevancy. This step was performed separately for each participant. Participants would occasionally mention situations or events to aid in their recall to address the questions. Some of the additional information was not relevant to the specific question. Stating this additional information was useful to assist the participants in their recall of events and their recall of their perspective of the integrated reporting process.

Step 3. Separate the data unrelated to the questions or the human capital theory. This unrelated data was used in later steps to make sure it was not a contributing factor relevant to the research.

Step 4. Assign a descriptive code to each highlighted data and then examined the highlighted data with similar descriptive coding. During this step, I created several versions of the descriptive coding for each data before settling on a descriptive code that captured the relevancy of the specific data.

Step 5. Search for patterns by grouping data items. During this process, some patterns were more easily identified than others. The data grouping process facilitated the emergence of patterns in the data.

Step 6. Compare the patterns with the predetermined themes. The quotes from the highlighted data used to formulate the descriptive code that assisted in the revealing of patterns related to predetermined themes, was set aside to help define the patterns.

Step 7. Separate the patterns that did not relate to the research questions or human capital theory. These unrelated patterns were reviewed in later steps.

Step 8. Examine patterns derived from the grouping of relevant data. This examination assisted in discovering overarching themes.

Step 9. List all the observable themes and patterns related to the research questions, human capital theory, and predetermined themes.

Step 10. Review the patterns set aside looking for any new themes revealed as part of the analysis process.

Step 11. Describe the themes revealed from the set-aside patterns that supported the predetermined themes.

Step 12. Use the participant's quotes in describing the identified themes. These quotes, highlighted in the previous steps, when applied in the description of themes highlighted the depth of the participants' perspectives with minimum bias.

Step 13. Synthesize the findings related to the research questions and the literature related to the research topic. This synthesis presents the perspective of the participants while minimizing researcher bias and adding to the research topic's body of knowledge.

I did not use specialized data analysis software during the data analysis. While Nvivo software was considered, I chose instead to complete the data coding and analysis manually. The decision to code and analyze the data manually was reviewed and approved by Capella University's Scientific Merit Review Board before the research began. The manual process enabled me to become completely immersed in the data. The process of manually coding data was supported by previous researchers such as Belotto (2018) and Williams and Moser (2019).

The data analysis process continued until no new codes, patterns, and themes were identified in the data, which based on the definition of Nascimento et al. (2018), was the point of saturation. Because the processes of data collection and analysis occurred concurrently, it was possible to use saturation to determine when enough participants had been interviewed (Saunders et al., 2018). As previously indicated, saturation was reached when no new information was provided during subsequent interviews with new participants. Once that point was reached, no new interviews were conducted.

Presentation of Data and Results of the Analysis

The analysis used to interpret the collected data from the participating human resource managers resulted in the revealing of themes. The data associated with these themes as a response from participants addressing the interview questions are presented in this section. Five

overarching themes were revealed as a result of the analysis. Those themes are categorized as (a) leadership, (b) department managers, (c) data collection, (d) metrics, and (e) longevity.

Within each of the five categories, the overarching theme is defined. Next, a discussion is provided of the evolution of the descriptive coding and comparison to predetermined themes from the literature that contributed to each overarching theme. As part of the data analysis process, predetermined themes were identified during the literature review. Three predetermined themes were found to be relevant to the data analysis. Table 2 presents the three predetermined themes used during the data analysis process. Figure 1 presents a summary clarifying the analysis process followed during the development of each theme, and tables are presented in the theme discussion to further clarify and illustrate the analysis process. Participants' quotes were used to support overarching themes by referencing them throughout the theme discussions. Definitions, descriptions, and discussions of the themes are presented in the following section.

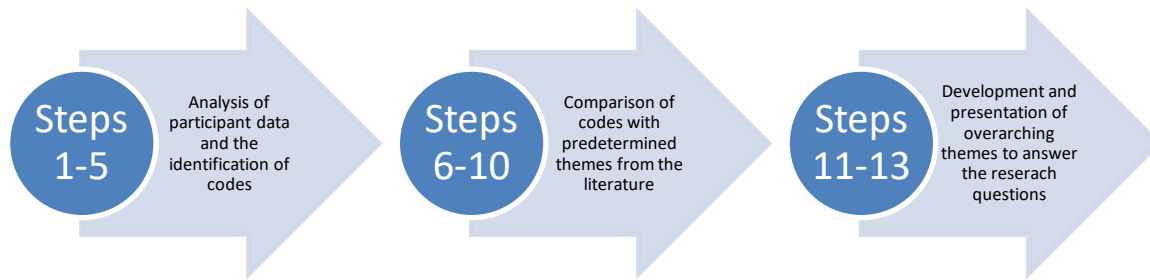
Table 2

Predetermined Themes From the Literature

Theme Number	Theme Content
1	Human capital characteristics can be identified and described.
2	Education and training can be applied to human capital.
3	Human capital value changes can be identified and described.

Figure 1

Summary of the Theme Generation Process



Theme 1: Leadership

The first overarching theme category to emerge was leadership. The theme of leadership illustrated how organizational leaders, including board members, CEO, and CFO, influenced human resource managers' perceptions of the value of integrated reporting to the organization. The leadership theme also indicated that human resource managers' autonomy influenced their perceptions of the value of integrated reporting. The descriptive coding that contributed to the determination of relevant patterns included (a) company valuation, (b) employee and company productivity, (c) better company, and (d) improve as a company. The codes supporting the emerging theme of leadership were compared to the three predetermined themes from the literature to identify the presence of patterns in the data and develop the overarching theme. Table 3 shows the components that were reviewed during the development of the leadership theme. Multiple participants shared insights that supported the overarching theme of leadership.

Table 3

<i>Development of the Theme of Leadership</i>		
Codes	Predetermined themes	Overarching theme
Company valuation	Human capital characteristics can be identified and described.	Organizational leaders, including board members, CEOs, and CFOs, influenced human resource managers' perceptions of the value of integrated reporting.
Employee and company productivity	Education and training can be applied to human capital.	
Better company	Human capital value changes can be identified and described.	
Improve as a company		

Several participants' responses related to the descriptive code of *company valuation* contributed to the patterns used to identify this theme. P2 provided a unique perspective of a human resource manager related to the initial prior theme and the evolution of the overarching theme. P2 described the first exposure to integrated reporting, stating, "Board members provided integrated reporting, and we've started talking about doing that for all value creation points of view." P3 stated that value creation data were the "best data to collect to make more valuable decisions" when using integrated reporting. P5 addressed the concern of what to do to "stop turnover of different classes of employees and create value." In each of these responses, the statements revolved around participants' perspectives of the value created and supported by the use of integrated reporting.

Participants offered responses regarding the descriptive code of *employee and company productivity* as part of the pattern contributing to the overarching theme of leadership. P5 described how the organization initially struggled with employee and company productivity. P5 stated that the situation was so serious that "they almost had to shut down." P5 explained that the

organization started to switch focus once they hired a new CFO, who did not just express concern for low company productivity but recognized the employee's productivity was directly linked to the organization's productivity. P5 indicated that the new CFO wanted to know "Why are we not getting to our goals, what's causing these issues? Is it training? Is it employee satisfaction?" P5 elaborated that the new focus was "not just where the numbers aren't, but why are we not getting there." P5 noted that integrated reporting provided the ability to highlight specific actions that needed to be taken to improve employee and company productivity. P15 indicated that the organization published the increases in employee productivity by way of billable hours. P15 stated, "We also included their productivity, base that off of you know how many billable hours."

Participants offered responses related to the descriptive code of *a better company* that was a part of the pattern that supported the overarching theme of leadership. P2 was adamant that the integrated reporting process improved interdepartmental partnerships. P5 stated, "We're getting more synergy in partnering so that they have a better understanding of what to do and the challenges that we have supporting them." A better company descriptive code was synonymous with better corporate governance.

Participants had responses that related to the descriptive code of *improvement as a company* that was a part of the pattern supporting the first overarching theme of leadership. P2 indicated that improvement in company attendance took place after the participation of other department heads in preparing the integrated report. P2 stated, "Heads of other facilities have come back with information that has shown improvements in overall attendance." P9 suggested that the reporting surrounding improvements in new hires has had the biggest positive impact. P9 stated, "We have doubled our hiring numbers, doubled our staff of color hire numbers, and

doubled our total number of hires in one year.” P9 went on to state that “these numbers are being shared with the board.” P9 indicated that before integrated reporting, the organization “would have never tracked that information.” Improvements in the company as a descriptive code was used to capture all the subjective ways each participant defined improvements.

The descriptive codes (a) company valuation, (b) employee and company productivity, (c) better company, and (d) improvement as a company were used in conjunction with existing literature to discover patterns related to the predetermined theme that human capital value changes can be identified and described. Employee and company productivity relates to the idea that increased productivity is synonymous with increased value. Better company and improvement in the company associated with employees was also related to human capital valuation. The existing literature was also in line with the assertion that the integrated reporting process is valuable. Smith (2016) noted that the value of integrated reporting is linked to the organization’s disclosure of both financial and nonfinancial requirements. Several scholars suggested that the process of preparing and using integrated reports creates value for organizations (Kiliç & Kuzey, 2018; Tol et al., 2019).

The participants’ discussions of value seem to be positively or negatively impacted by the endorsement of executive leadership as to the value of performing the process of integrated reporting. P2’s responses indicated that the board members’ valuation of the integrated reporting process led to the implementation of the process and influences human resource managers’ perspectives of the process. P5 stated that the organization started to switch focus once they hired a new CFO, indicating the influence the executive leadership has on human resource managers. Based on participants’ responses, executive leadership influenced human resource managers’ perceptions of integrated reporting.

The influence over the autonomy of human resource managers on perceptions of the value of the integrated report was also revealed in the analysis. P1 indicated that what was presented in the integrated report human capital section was dictated by the executive board and not by human resources. P1 stated “A lot of it is based on previous meetings. What they cared about.” P1 offered the following explanation:

It’s not like you want to give them more information than what they need. They don’t care about the people in the crowd. They care a lot about client acquisition and less about the employee. So, the people portion currently isn’t the major focus.

P1 indicated that P1 had little autonomy to make additions to the report that was not sanctioned by the executive board. P1 expressed frustration with the board eliminating employee engagement surveys and indicated that there were improvements in training and retention as a direct result of tracking employee engagement survey responses. P1 stated, “So I hate to lose that, but you know, it’s that working with another new board member.” The participants’ responses indicated that executive leadership influenced human resource managers’ perspectives on integrated reporting.

The existing literature was aligned with the assertion that the autonomy of human resource managers is an important factor in determining how these professionals prepare human resource information for inclusion in the report. Dumay et al. (2017) indicated that because the implementation is voluntary, many organizations do not seriously apply integrated reporting standards. Dumay et al. also asserted that there exists intense pessimism surrounding the promotion of integrated reporting in the United States and that this pessimism was attributed to the existing disclosure process for U.S.-based organizations. Dumay et al. (2017) pointed toward the lack of integrated reporting promotion by the U.S. regulators to support claims that the U.S. government is itself a barrier to the adoption of integrated reporting processes.

Theme 2: Department Managers

The second overarching theme to emerge was department managers. This theme indicated that when other department heads are involved in collecting human capital data, human resource managers' perceptions of the value of integrated reporting increase based on improvements in employee retention and training. The descriptive coding from multiple participants included (a) development plans, (b) skills development, (c) different perspectives, and (d) collective benefits. The codes supporting the emerging theme of department managers were compared to the three predetermined themes from the literature to identify the presence of patterns in the data and develop the overarching theme. Table 4 shows the components that were reviewed during the development of the department managers theme.

Table 4

<i>Development of the Theme of Department Managers</i>		
Codes	Predetermined themes	Overarching theme
Development plans	Human capital characteristics can be identified and described.	When other department heads are involved in collecting human capital data, human resource managers' perceptions of the value of integrated reporting increases based on improvements in employee retention and training.
Skills development	Education and training can be applied to human capital.	
Different perspectives	Human capital value changes can be identified and described.	
Collective benefits		

Several participants' responses contributed to the patterns used to identify this theme. Participants offered responses related to the descriptive code of *development plans* that supported the overarching theme of leadership. P8 indicated that other departments managers have inquired about the information disclosed in the human capital section and have developed practices and

procedures to improve their departments based on disclosed data in the human capital section. P8 stated, “I feel like they want to be able to kind of weave that into their conversations you know when they’re doing their employee check-ins and building out a development plan for their employees,” referring to other department heads’ use of human capital data presented in the integrated report.

The descriptive code of *skills development* also was mentioned by some participants. P3 suggested that the integrated reporting process has revealed to managers in other departments that some of their employees were given an increase in pay that does not match their job title or their skill level. P3 found through investigation that managers were not training these employees. Instead, these managers were signing off on pay increases based on the length of time the employee had been with the company. According to P3, this resulted in an increase in expenses without a corresponding increase in production. P3 offered the following statement:

I have an entire department of marketing that is all manager level or about. There are no Indians. They are just chiefs. So, it’s, you know, it’s looking at it and saying if we’re going to give a title to somebody, it is not a career path, you know if we are not giving them the skills.

Some participants also mentioned the codes of *different perspectives* and *collective benefits* in their responses supporting the theme of department managers. P5 asserted that once the department heads realize how much the increase in employee turnover and absenteeism was costing the company, managers made the decision to share those details with their staff. P5 indicated that in the future managers will work more on employee development and not just reducing employee absence and turnovers. P5 provided the following response:

I think that it’s essential for any company to have this process because you have to have, you know, reporting from all different departments because we all work together as a company to, to make things, you know, to improve employees to improve the company.

The existing literature was also in line with the assertion that when other department heads are involved in the collection of human capital data that human resource managers perceived value of the integrated reporting process increases. Dumay et al. (2017) discuss the importance of how organizations integrate financial and nonfinancial capital disclosures in decision-making activities. Research in other countries has revealed that embracing integrated reporting allows organizations to bolster financial strengths (Smith, 2016), implying integrated thinking internally in organizations among employees and department heads leads to an increase in perceived value from human resource departments. The existing literature is in line with the second overarching theme of department managers.

Theme 3: Data Collection

The third overarching theme to emerge was data collection, which indicated that the data collection process across departments influences human resource managers' perceptions of the effectiveness of the integrated reporting process within the organization. The descriptive coding from multiple participants, when compared to the preexisting themes from the literature, formed a pattern that supported the development of the overarching theme of data collection. The descriptive coding that contributed to the determination of relevant patterns included (a) collection, (b) hesitation, and (c) disclosure. Table 5 presents the codes and predetermined themes reviewed during the development of the overarching theme of data collection.

Participants provided responses that related to the descriptive code of *collection* that was a part of the pattern that would later be revealed as part of the data collection overarching theme. P14 indicated that their organization reported data related to employees who came to work sick, "the inverse of absenteeism," and tenure. P14 stated the organization also posted metrics related to diversity hires. P15 indicated that the organization collected data related to employees'

productivity and reported the findings in the integrated report. P15 stated, “They included their productivity based on the employee billable hours, versus how many hours work, so that way we can see that they have been productive employees.”

Table 5

Development of the Theme of Data Collection

Codes	Predetermined themes	Overarching theme
Collection	Human capital characteristics can be identified and described.	The data collection process across departments influences human resource managers’ perceptions of the effectiveness of the integrated reporting process within the organization.
Hesitation	Education and training can be applied to human capital.	
Disclosure	Human capital value changes can be identified and described.	

P9 indicated the technology being used in their organization to collect data is referred to as a data dashboard. P9 envisioned a future where more real-time data would be used, including “data dashboard[s], real-time, more options to choose from.” P11 felt that organizations in the future will be more transparent but that the current process will move slower if more data is collected. P11 stated, “A lot more disclosures and a lot more transparent, a lot more coming down the road.” P11 clarified, “It’s gonna be a lot more work and I’m and I, for one, I’m going to say you know let’s just do what we were doing before.” Participants’ responses related to the descriptive coding of the collection that was a part of the pattern that the analysis revealed the second overarching theme.

Participants had responses that related to the descriptive code of *hesitation* that was a part of the pattern that supported the overarching theme of data collection. P14 responded that leadership at the organization hesitated to collect data that would reflect the organization in a

negative light. P14 stated, “There was some hesitation from the leadership of actually publishing those outputs until it looked better.” P1 also indicated that the executive leadership of the organization was hesitant about the inclusion of too much data related to human capital. P1 stated, “They don’t care about the people in the crowd. They care a lot about client acquisition and less about the employee.” P1 continued to describe the hesitation of leadership to allow P1 to include more human capital data related to employee development and satisfaction. P1 stated, “The people part in a way take the backseat like our own employees because we’re so focused on the client.”

P3 indicated that leadership encourages the human resource department to hesitate to disclose any human capital data that does not reflect well on the organization. P1 also indicated that leadership encourages the human resource department to develop a narrative to explain away any negative interpretation of the data. P1 stated, “So, if it’s something that looks, particularly bad, and there isn’t a way to spin it or explain it, then we’ll put it on hold. We may not record it that year.” P1 expressed a hesitation to go against leadership and report on data relevant to employee development and satisfaction, the data that P1 indicated relates to employee retention. P1 stated, “I wish, I was being asked for more. I wish they cared about bigger pieces, but it doesn’t appear to be a priority sort of thing. So, we are not paying as close attention to retention.”

Participants had responses that related to the descriptive code of *disclosure* that was a part of the pattern supporting the overarching theme of data collection. P1 indicated that organizational leadership encourages disclosing employee turnover ratios.

That within the caregiver population, the turnover rate there is about 50% on an annual basis that is pretty aligned, unfortunately, with other departments of the company. I think the industry standard in all is about 30% and we are at 50%.

P1 also described how the changes in board members and executives every six months to a year are followed by new executives asking for different items to be reported. P1 indicated that so far, limited requests from executives relate to why the turnover ratio is higher than the industry average. P2 responded that the integrated reporting process has allowed the human capital disclosures to evolve into a tool they use for the strength, weakness, opportunity, and threat (SWOT) analysis.

We disclosed our training budget, the number of training initiatives that we undertook, and I would say that it was meant to be a high-level overview originally. What it's taken on is a much more substantial capital, to the point SWOT analysis of where we're looking at where we feel that we need to be focusing on as skill sets to be better prepared for some of the challenges that we're seeing arising. (P2)

P3 indicated that the average employees stay with the organization for 12 years, an industry high. P3 attributed this number to the data tracked and disclosed in the human capital section of the integrated report. P3 indicated they track and disclose categories of employee benefits and demographic information. P3 stated, "We have good tuition reimbursement, so we track degree programs. We do track age. We track diversity. Diversity is a big one right now."

At P9's organization, human resource managers disclose their human capital accomplishments, hiring records, and employee demographics and compare their results with their prior-year goals.

Within the report, we talk about some of our accomplishments, based on different parts of that employee lifecycle. We highlight black teachers that have been hired, male teachers that have been hired, and turn over in specific units. And then we put out our recruitment and hiring goals. So, what our goals are and then next year. In our next year's version, we will identify if we've met those goals or not. On top of that, we take those hiring goals that we've made public. (P9)

Theme 4: Metrics

The fourth overarching theme to emerge was metrics. This theme indicated that tracking metrics that include employee satisfaction levels, performance levels, and employee turnover

ratios, changes in retention levels, and changes to training processes and effectiveness has a positive effect on the human resource manager's perception of the integrated reporting. The descriptive coding that contributed to the determination of relevant patterns included (a) employee satisfaction levels, (b) performance levels, and (c) employee turnover ratios. The theme was developed based on comparisons of the descriptive codes with the predetermined themes. Table 6 highlights the codes and predetermined themes reviewed during the development of the overarching theme of metrics.

Table 6
Development of the Theme of Metrics

Codes	Predetermined themes	Overarching theme
Employee satisfaction levels	Human capital characteristics can be identified and described.	Tracking metrics that include employee satisfaction levels, performance levels, and employee turnover ratios, changes in retention levels, and changes to training processes and effectiveness has a positive effect on human resource managers' perceptions of integrated reporting.
Performance levels	Education and training can be applied to human capital.	
Employee turnover ratios	Human capital value changes can be identified and described.	

Participants offered responses related to the descriptive code of *employee satisfaction levels* that supported the pattern and overarching theme. P5 indicated that the arrival of a new CFO that once made aware of low productivity, requested integrated reporting include data on employee satisfaction. P5 explained the new CFO wanted answers to the questions "Why are the employees not reaching productivity? Is it employee satisfaction?" P5 suggested that once the data were collected, it was then necessary to determine what data to include and use. P5 stated,

“We do determine what metrics have made the biggest impact and which ones are relevant to what we’re trying to accomplish.” P5 continued, offering the following statement:

And then we do a survey of employees and see what they think and where they think the organization is going. It’s kind of like a satisfaction survey, then we take those two things, the most important things, the things we need to work on the things that are going right, and we publish those in the report.

P5 also discussed the importance the organization placed on retaining satisfied employees, stating, “So, our concentration was on stopping the hemorrhaging of employees and people leaving and keep them satisfied to keep them to stay.”

P10 explained that employee satisfaction is measured and included in the integrated report. P10 stated, “We do a survey that’s administered by an outside party on staff satisfaction or employee morale.” P10 also suggested that in addition to strategic planning, reporting staff satisfaction is important. P10 acknowledged that before commencing the integrated reporting process, staff satisfaction levels at the company were not tracked. P10 stated, “I think those two things staff satisfaction and plan goal progress, I think those are things no one knew prior to having this report.” Participants’ responses related to the descriptive coding of employee satisfaction was a part of the pattern revealing the fourth overarching theme.

Participants also shared responses related to the descriptive code of *performance levels* in support of the overarching theme on metrics. P7 indicated that the organization segments performance management. P7 stated, “We reported like which percentage of employees were in which buckets of performance management.” P15 acknowledged that measuring performance has help human resource managers when placing employees on the right job and working on the best contract for an employee’s skill level and personality.

It has made us more aware of those employees who need that extra discussion, for lack of a better term. Why is this employee having problems? Before we would just assume that

it was a training problem, but when you compare it to well, they did really well productivity wise on this contract but not on this contract. (P15)

Participants had responses that related to the descriptive code of *employee turnover ratios* along with changes in retention levels and changes to training processes and effectiveness that was a part of the pattern that would later be revealed as part of an overarching theme. P10 indicated that their current integrated reporting process has allowed human resource managers to predict turnover ratios. P10 stated, “Not only can I tell you what your historical turnover has been, but I can start to map out what the future turnover might look like.” P11 responding to interview question ten indicated that the integrated reporting process related to training has been going through changes over the past year. P11 offered the following comment:

We’ve been working at home for the last three months remotely, which has become a little bit of a hardship when you need to train people so now, we’re training them over zoom. But I think reporting is going to have to become a lot more transparent.

P11’s organization tracked retention and used that information as part of a comprehensive strategy to retain productive employees longer. P11 stated, “We looked at our attrition our retention how we can keep employees how we can make them happy.” P7’s organization tracked turnover and performance. P7 stated, “Because the information we’re publishing is around a hiring, turnover and performance that impacts budget decisions. It’s mostly our finance, the finance team, that would be impacted because of budgetary changes throughout the year.”

The existing literature was also in alignment with the theory that education and training increase human capital. According to Winterton and Cafferkey (2019), internal office politics and the ability of employees to navigate organizational bureaucracy represent elements of on-the-job training. Dubos (2017) explained that human capital represented investments that increased employees’ skills and overall technical knowledge. Thus, both the participants’

responses and the existing literature supported the finding that education and training can be applied to human capital to benefit organizations.

Theme 5: Longevity

The fifth overarching theme to emerge was longevity. This theme indicated that the longer an organization performs the integrated reporting process, the more effective the human resource managers have been in representing the process valuation by documenting improvements in employee satisfaction surveys and employee productivity and decreases in employee turnover. The descriptive coding that contributed to the determination of relevant patterns included (a) longer time using integrated reporting, (b) leadership takes action to support, and (c) improvements in the metrics. These codes were compared to the predetermined themes to develop the overarching theme of longevity.

Table 7

Development of the Theme of Longevity

Codes	Predetermined themes	Overarching theme
Longer time using integrated reporting	Human capital characteristics can be identified and described.	The longer an organization performs the integrated reporting process, the more effective the human resource managers have been in representing the process valuation by documenting improvements in employee satisfaction surveys and employee productivity and decreases in employee turnover.
Leadership takes action to support	Education and training can be applied to human capital.	
Improvements in the metrics	Human capital value changes can be identified and described.	

Participants had responses that related to the descriptive code of *longer time using integrated reporting*, and these responses supported the pattern that related to the overarching theme of longevity. P2 had 20 years of experience being exposed to integrated reporting. P2

elaborated, “At this organization, 7 years. I’ve been an executive in HR [human resources] for over 20 years. I have about 40 years of experience in HR and operations.” P3 described the length of experience working with the integrated reporting process. P3 stated, “So integrated reporting before it was even called that. I’ll say 16 years.” P6’s experience with integrated reporting was 15 years, and P16’s experience with integrated reporting was 20 years.

Participants also shared responses related to the descriptive code of *leadership takes action to support*. P2 indicated that the organization leadership introduced the practice to the organization. P2 stated, “Last year, we’ve been doing training and we’ve had a new board member, one of the board members, provide integrated reporting, and we’ve started talking about doing that for all value creation points of view.” P2 also described the business environment encouraged by the leadership.

Because well, the more holistic in the way that we’re looking at our business. The impact of what we do, why we do it. As well as, you know, what direction, we should be, that is more congruent with what our mission is and what we’re trying to accomplish.

P3 indicated that the organization CEO was supportive of the human resource department and their goal to increase diversity. P6 believed that leadership in the organization supports the integrated reporting process. P6 elaborated,

I started working in the company that reporting was, you know, something that they were just doing because I think they needed to do it and then as they saw how much it could help them with getting these accolades and you know the stars within the industry that then their focus on it became a lot more and then they started using that in all different areas so I think initially it was like, we need to report to the board, what our status of our organization is and then when you know it was a good and positive way.

P16 suggested that while her experience with integrated reporting was 20 years, every year there are changes to the organization board. P16 indicated that changes at the board level make it feel “like starting over each time.” When discussing the possibility of not being allowed to continue conducting employee engagement surveys that had proven successful, P16 stated,

“So I really hate to lose that, but you know, it’s that working with another new member.”

Participants’ responses related to the descriptive coding of leadership was a part of the pattern that revealed the fifth overarching theme.

Participants had responses that related to the descriptive coding of *improvements in the metrics* that was a part of the patterns supporting the longevity theme. P2 indicated that other departments have seen metrics improvement. P2 stated, “We’ve found an interest from facilities where they’ve come back with the information and we’ve been able to improve overall attendance.” P3 explained how the decision is made to determine what is in the human capital section of the integrated report. P3 clarified that recently, the organization uses three different approaches and systems to retrieve and capture the related data. P3 indicated that the process has improved. P3 stated, “So we have, we have this year started in January, we have gone down to one reporting body.” P6 suggested that the way senior executive leadership has embraced human resource as a strategic partner was an improvement. P5 offered the following statement:

I don’t think, HR [human resources] was really a part of this whole process and I think that, like, especially in the company I’m with now, they look at me as part of a strategic partner, you know, kind of knowing what’s happening with the company and knowing where things are going. So, having that new partnership with the executive team is a welcome improvement.

Answering the Research Questions

The themes were individually assessed to determine whether they answered the research questions. Themes 1, 3, and 5 most closely addressed the study’s primary research question.

Theme 2 answered Research Subquestion 1, and Theme 4 answered Research Subquestion 2.

Table 8 presents the relationships between the research questions and the overarching themes.

Table 8

The Relationship Between the Themes and Research Questions

Research Question	Overarching Theme
Primary Research Question: What are human resource managers' perspectives on integrated reporting?	<p>Theme 1: Leadership—Organizational leaders, including board members, CEO, and CFO, influenced human resource managers' perceptions of the value of integrated reporting to the organization.</p> <p>Theme 3: Data Collection—The data collection process across departments influences human resource managers' perceptions of the effectiveness of the integrated reporting process within the organization.</p> <p>Theme 5: Longevity—The longer an organization performs the integrated reporting process, the more effective the human resource managers have been in representing the process valuation by documenting improvements in employee satisfaction surveys and employee productivity and decreases in employee turnover.</p>
Research Subquestion 1: How do human resource managers prepare human resource information for inclusion in the report?	Theme 2: Department Managers—When other department heads are involved in the collection of human capital data, the human resource managers' perceived value of integrated reporting is evident by the improvements in employee retention and training.
Research Subquestion 2: How do human resource managers use the information from the overall report to maximize human capital?	Theme 4: Metrics—Tracking metrics that include employee satisfaction levels, performance levels, and employee turnover ratios along with changes in retention levels and changes to training processes and effectiveness have a positive effect on the human resource manager's perception of the integrated reporting process.

Summary

The research findings from the step-by-step analysis of 16 participant interviews were presented in Chapter 4. The purpose of this qualitative inquiry research was to use human capital theory to understand human resource managers' perspectives of integrated reporting. I

discovered patterns by analyzing responses from participant interviews following an analysis method described by Percy et al. (2015). Five overarching themes were discovered.

The first theme was that leadership, including board members, CEOs, and CFOs, along with autonomy of human resource managers, influence perceptions of integrated reporting's value to the organization. The second theme indicated that when other department heads are involved in the collection of human capital data, human resource managers value integrated reporting because it aids in employee retention and training. The third theme was that the data collection process across departments influences the human resource managers' perceptions of the effectiveness of the integrated reporting process within the organization. The fourth theme was that tracking metrics like employee satisfaction levels, performance levels, employee turnover ratios, changes in retention levels and changes to training processes positively affect human resource managers' perceptions of the integrated reporting process. The fifth and final theme was that the longer an organization performs the integrated reporting process, the more effective human resource managers become in valuing the documented improvements in employee satisfaction surveys and employee productivity and decreases in employee turnover. Exploration of the research results and findings in consideration of the research questions and existing literature is contextualized in Chapter 5. The study's concluding chapter contains an examination of the findings, implications, and suggestions for future research.

CHAPTER 5. DISCUSSION, IMPLICATIONS, RECOMMENDATIONS

Chapter 5 contains a discussion of the study's findings implications and recommendations. The chapter begins with a summary of the results. A discussion of the results follows the results summary. Next, conclusions based on the study's results are presented. The conclusions address comparisons between the findings and the existing literature, and an interpretation of the findings is provided. A discussion of the study's limitations and implications for practice follow. The chapter's final two sections include recommendations for future research and a comprehensive conclusion highlighting the study's value and contribution to the field of knowledge.

Summary of the Results

The purpose of this qualitative inquiry research was to use human capital theory to understand human resource managers' perspectives of integrated reporting. The focus on human resource managers was based on research by Lai et al. (2017), who found that allowing input from internal leadership, including human resource leadership, helped minimize barriers to integrated reporting. This study extended human capital theory by applying the IIRC's (2019b) integrated reporting framework to determine how elements of the integrated reporting process support the creation of human capital. Understanding how human resource managers use integrated reporting to maximize human capital increases understanding of the value of using consolidated corporate reports when managing strategy, governance, and employee performance (Dumay & Dai, 2017; IIRC, 2019c; Teixeira, 2017). By addressing this study's research questions, it allows identification of how human resource managers use integrated reporting to improve organizational culture and create short-, medium-, and long-term value for the organization and its employees.

Research on integrated reporting is of significance to the corporate community in several ways. Joshi (2018) noted that integrated reporting can improve a firm's financial performance. Integrated reporting also contributes to the strength of an organization's competitive advantage (Wen et al., 2017). It also builds business resilience and improves long-term competitiveness in volatile environments by promoting integrated thinking (Wen et al., 2017). Thus, gathering data on the use of integrated reporting in the United States may be of assistance to organizations and the broader corporate community in exploring the connections between integrated reporting and improved human capital use.

This study is of particular significance to accounting and human resource professionals. Integrated reporting, where available, supports human resource managers abilities in influencing organization-wide strategic planning (Chiucchi et al., 2018). Additionally, it supports the creation of additional value for individual business units (Chiucchi et al., 2018). For accounting professionals' implementation of integrated reporting expands the scope of their work domains to include measuring and monitoring nonfinancial capital sources including human capital (McNally & Warren, 2018). This study's focus on human resource executives' perceptions of integrated reporting at various organizations created the potential to identify commonalities in the data, supporting creation of insights into organizational value creation of significance to accounting and human resources professionals.

Finally, this study contributed significantly to the body of knowledge on integrated reporting and human capital. McNally and Warren (2018) noted that a more thorough understanding of integrated reporting could lead to insights on the value creation process that, in turn, creates more changes in corporate reporting processes. Rinaldi et al. (2018) also noted that inputs related to human capital and outputs related to performance improvements were

associated with human capital. Guest (2017) noted the need to examine integrated reporting and human capital through the eyes of those individuals whose roles include selecting organizational policies to promote a productive work environment. This study's exploration of human resource professionals' perspectives regarding the use of integrated reporting to maximize human capital addressed previously identified gaps in the literature and extended the application of human capital theory while advancing scholarly knowledge.

Discussion of the Results

In this section, the research questions are compared to the overarching themes. Five overarching themes were discovered. The comparison of the research questions with the appropriate themes is addressed separately.

Primary Research Question

The research question that guided this study was "What are human resource managers' perspectives on integrated reporting?" The overarching themes that emerged from the analysis that best addressed the primary research question were Theme 1: Leadership, Theme 3: Data Collection, and Theme 5: Longevity. Theme 1 indicated that organizational leaders, including board members, the CEO, and the CFO influenced human resource managers' perceptions of integrated reporting's value to their organizations. Theme 3 indicated that the data collection process across departments influences human resource managers' perceptions of the effectiveness of the integrated reporting process. Theme 5 indicated that the longer an organization performs the integrated reporting process, the more effective the human resource managers have been in representing the process valuation by documenting improvements in employee satisfaction surveys and employee productivity and decreases in employee turnover. The study's findings illustrate that many different factors influence human resource managers'

perspectives on integrated reporting. Leadership and autonomy are important elements of the integrated reporting process. Additionally, data collection across multiple departments is critical to the quality of the reporting process. Finally, human resource managers improve over time as they gain experience with the data provided as part of the integrated reporting process.

Research Subquestion 1

Subquestion 1 stated, “How do human resource managers prepare human resource information for inclusion in the report?” The overarching theme that emerged from the analysis that best addresses the research question was Theme 2: Department Managers. When other department heads are involved in the collection of human capital data, the human resource managers’ perceived value of integrated reporting is evident by the improvements in employee retention and training. The study’s findings indicated that there is a need for improved cooperation among department heads in the integrated reporting process.

Research Subquestion 2

Subquestion 2 stated, “How do human resource managers use the information from the overall report to maximize human capital?” The overarching theme that emerged from the analysis that best addresses the research question was Theme 4: Metrics. Tracking metrics that include employee satisfaction levels, performance levels, and employee turnover ratios along with changes in retention levels and changes to training processes and effectiveness have a positive effect on the human resource manager’s perception of the integrated reporting process. The participants’ responses indicated a need for human resource managers to have improved access to human resource-related data.

Conclusions Based on the Results

The purpose of this qualitative inquiry research was to use human capital theory to understand human resource managers' perspectives of integrated reporting. The study's aims were addressed by interviewing human resource managers with experience related to the integrated reporting process. The conclusions drawn from the study findings are described in the following section.

Comparison of Findings With the Theoretical Framework and Previous Literature

The first overarching theme to emerge was leadership. The theme of leadership illustrated how organizational leaders, including board members, CEO, and CFO, influenced human resource managers' perceptions of the value of integrated reporting to the organization. The leadership theme also indicated that human resource managers' autonomy influenced their perceptions of the value of integrated reporting. The descriptive coding that contributed to the determination of relevant patterns included (a) company valuation, (b) employee and company productivity, (c) better company, and (d) improve as a company. These descriptive codes were compared with predetermined themes from the literature. The existing literature was in line with the assertion that the integrated reporting process is valuable. Smith (2016) noted that the value of integrated reporting is linked to an organization's disclosure of both financial and non-financial information. Several scholars have suggested that the process of preparing and using integrated reports creates value for organizations (Kiliç & Kuzey, 2018; Tol et al., 2019).

The second overarching theme to emerge was department managers. This theme indicated that when other department heads are involved in the collection of human capital data, human resource managers' perceived value of integrated reporting is evident by the

improvements in employee retention and training. The descriptive coding from multiple participants included (a) development plans, (b) skills development, (c) different perspectives, and (d) collective benefits. This overarching theme suggested that human capital value changes can be identified and described and that internal department heads' participation in the collection of human capital-related data have a positive effect on the improvements of employee retention and training.

The existing literature was in line with the assertion that when other department heads are involved in the collection of human capital data that human resource managers perceived value of the integrated reporting process increases. Dumay et al. (2017) discuss the importance of how organizations integrate financial and nonfinancial capital disclosures in decision-making activities. Research in countries outside the United States has revealed that embracing integrated reporting allows organizations to bolster financial strengths (Smith, 2016), implying integrated thinking internally in organizations among employees and department heads leads to an increase in perceived value from human resource departments. The existing literature is in line with the second overarching theme.

The third overarching theme to emerge was data collection, which indicated that the data collection process across departments influences human resource managers' perceptions of the effectiveness of the integrated reporting process. The descriptive coding that contributed to the determination of relevant patterns included (a) collection, (b) hesitation, and (c) disclosure. The theme of data collection aligned with the existing literature. Lai et al. (2017) noted that the data collection process associated with integrated reporting is resource-intensive yet worthwhile. Additionally, the data collection process associated with integrated reporting could highlight how

management values human capital and influence how human resource managers perceive the value of the integrated reporting process (Vithana et al., 2019).

The fourth overarching theme to emerge was metrics. This theme highlighted the importance of tracking metrics that include employee satisfaction levels, performance levels, employee turn-over ratios, changes in retention levels, and changes to training processes and effectiveness that have a positive effect on the human resource managers' perceptions of integrated reporting. The descriptive coding that contributed to Theme 4 included (a) employee satisfaction levels, (b) performance levels, and (c) employee turnover ratios. The existing literature was in line with the assertion that indicates education and training can be applied to human capital. According to Winterton and Cafferkey (2019), internal office politics and the ability of employees to navigate organizational bureaucracy represent elements of on-the-job training. Dubos (2017) explained that human capital represented investments that increased employees' skills and overall technical knowledge. The existing literature also supported the concept that education and training improve human capital.

The fifth overarching theme to emerge was longevity. This theme indicated that the longer an organization performs the integrated reporting process, the more effective the human resource managers were in representing the process valuation by documenting improvements in employee satisfaction surveys and employee productivity and decreases in employee turnover. The descriptive coding that contributed to the determination of the overarching theme included (a) longer time using integrated reporting, (b) leadership takes action to support, (c) improvements in metric. The fifth and final theme contradicted previous research by Oh et al. (2018), who examined U.S. CEOs and suggested that tenure by itself does not have a correlation with improved corporate social responsibility. However, corporate social responsibility is

substantially different from integrated reporting, and the two behaviors should be not used interchangeably. More research is needed to determine if longevity can improve corporate reporting behaviors as well as building human capital resources within the organization.

Interpretation of the Findings

The study's findings were described by the overarching themes which resulted from analysis of the response of the participants in the interview process which was based on a generic qualitative inquiry methodological approach. Each of the study's findings are examined in this section in the context of existing literature related to integrated reporting and human capital theory. The expansion of the knowledge from the existing literature and theoretical framework is also combined with the study's research findings to identify the study's scholastic and practical applications. The findings of the overarching themes were supported using a generic qualitative inquiry approach allowing examination of the value relationship between integrated reporting and better organizational outcomes in the management and development of human resources.

Leadership

Executive leadership including board members, the CEO, and CFO with the influence of the level of autonomy that human resource managers possess on human resource managers' perceptions of the value of integrated reporting to the organization. Research conducted in other countries has revealed that embracing integrated reporting allows organizations to bolster financial strengths, implying integrated thinking internally in organizations among employees and department heads leads to an increase in perceived value from human resource departments (Smith, 2016). Several scholars have suggested that the process of preparing and using integrated reports creates value for organizations (Kiliç & Kuzey, 2018; Tol et al., 2019).

The existing literature points to the influence heads of departments have on the acceptance of perceived value of the integrated reporting process. This first finding related to leadership was supported by existing literature as evidenced by responses from participants P2 and P5. P2 noted that “board members provided integrated reporting and we’ve started talking about doing that for all value creation point of view” signposting that board members’ valuations of the integrated reporting process has an influence on human resource managers’ perspectives of the process. P5 stated that their organization started to switch focus once they hired a new CFO, indicating again supporting the influence the executive leadership has on human resource managers. Based on participants’ responses, executive leadership influences human resource managers’ perceptions about the value of integrated reporting.

The autonomy or lack of autonomy of human resource managers influenced perceptions of integrated reporting’s value to the organization. The influence of their real or perceived levels of autonomy were revealed in the analysis. For example, P1 stated that what was presented in the integrated report human capital section was dictated by the executive board and not by human resources. P1 further stated, “A lot of it is based on previous meetings. What they cared about.” P1 continued,

It’s not like you want to give them more information than what they need. They don’t care about the people in the crowd. They care a lot about client acquisition and less about the employee. So, the people portion currently isn’t the major focus.

P1 noted that there was little autonomy provided for making additional disclosures in the integrated report. In support of this assertion, P1 indicated that all disclosures needed to be sanctioned by the executive board, who did not encourage input from human resource department leadership. Based on participants’ responses, autonomy influences human resource managers’ perceptions of integrated reporting.

Executive leadership that actively promotes integrated reporting and supports human resource managers autonomy to create an atmosphere that yields a positive perception of integrated reporting on human resource managers is an intentional act. P8 highlighted the value of working closely with the owners of the company and being viewed as a leader in the HR Department versus being viewed as an administrative worker. As an example, P8 discussed being brought into meetings where the executive leadership actively sought P8's input into "how do we make our company better, how do we help our employees and kind of guide them through, you know, their career path and their goals?" P8 stated that the integrated reporting process had "helped the managers, be better managers and be able to manage their teams a lot better, you know, with our ever-changing world."

By contrast with P1's experience, P8's senior management took intentional actions to see to it that the goals of the company included assisting human capital which included providing the HR department with the necessary autonomy to facilitate human capital development were in place. Chiucchi et al. (2018) noted that implementation of the integrated reporting process in conjunction with the inputs from human resource departments possessing a degree of policy autonomy had benefits for the organization's strategic development and noted that integrated report creation fostered cooperation between organizational divisions. However, under conditions where there is little human resource autonomy or active involvement by executive leadership, the perception of the integrated reporting process value by human resource leadership is less likely be viewed as positive and more likely be viewed as another administrative exercise of limited merit.

Department Manager

Non-human resource department heads who participate in collecting human capital data also impact on human resource managers' perceptions of the value of integrated reporting when they are evidenced by improvements in employee retention and training. Changes in the value of human capital can be identified and described and the participation of the heads of the organization's internal departments' in the collection of human capital-related data has a positive effect on improvements in employee retention and training. Several participants had responses that contributed to the pattern that was used to identify themes that supported this finding. P8 stated that other departmental managers had inquired about the information disclosed in the human capital section and, consequently, had developed practices and procedures to improve their departments based on data disclosed in the human capital section. P8 noted that "I feel like they want to be able to kind of weave that into their conversations you know when they're doing their employee check-ins and building out a development plan for their employees," referring to other department heads' use of human capital data presented in the integrated report.

P3 stated that the integrated reporting process had revealed to managers in other departments that some of their employees were given increases in pay that did not match their job titles or skill levels. P3 found that the managers involved were not training up these employees. These managers were signing off on pay increases based on the length of service not on merit. According to P3, this resulted in an increase in expenses without a corresponding increase in production.

I have an entire department of marketing that is all manager level or about. There are no Indians. They are just chiefs. So, it's, you know, it's looking at it and saying if we're going to give a title to somebody, it is not a career path, you know if we are not giving them the skills. (P3)

P5 indicated that once the departmental heads realized via the integrated report how much increases in employee turnover and absenteeism were costing the company, they made the decision to share those details with their staff. P5 indicated that in the future organizational managers would work more on employee development and not just focus on reductions in employee absences and turnover.

I think that it's essential for any company to have this process because you have to have, you know, reporting from all different departments because we all work together as a company to, to make things, you know, to improve employees to improve the company. (P5)

Based on participants' responses, involvement of non-human resource department heads influenced human resource managers' perceptions of the value of integrated reporting.

Active participation in the collection of human capital data by department heads other than the human resource department is a part of the collaboration that must take place based on implementation of integrated thinking processes required to support integrated reporting. Such implementations often consequently demonstrate improved value in both the dimensions of human capital and the overall strength of deploying organizations according to the relevant literature.

Research overseas has revealed that embracing integrated reporting allows organizations to bolster financial strengths (Smith, 2016), implying integrated thinking internally in organizations among employees and department heads leads to an increase in perceived value of the human capital and the organization's financial capital. Joshi (2018) noted that integrated reporting implementations often resulted in consequent increases in organizational financial performance. Wen et al. (2017) discussed the competitive advantages that resulted from organizations adoption of the integrated reporting process, and organizational departments positive perceptions of deployment of integrated reporting. Dumay et al. (2017) noted the

importance to organizations of the integration of financial and nonfinancial capital disclosures on decision-making activities. Chiucchi et al. (2018) stated that the integrated reporting process that required the involvement of department heads coming together as creating a strategic advantage, a perception shared by all department heads including those from human resource.

Data Collection

The data collection process has an influence on human resource managers' perceptions of integrated reporting. P14 noted that their organization reported data related to employees who came to work sick, "the inverse of absenteeism," and tenure. P14 stated the organization also posted metrics related to diversity hires. P15 noted that their organization collected data related to employees' productivity and reported these findings in the integrated report. P15 stated, "They included their productivity based on the employee billable hours, versus how many hours work, so that way we can see that they have been productive employees."

P9, discussing human resource manager's perspectives of future changes to their organization's integrated reporting, noted that the technology being used in their organization to collect data was referred to as a data dashboard. P9 envisioned a future where more real-time data would be available for use, including "data dashboard[s], real-time, more options to choose from." P11 indicated that their organization would in future become more transparent. However, P11 noted a caveat, suggesting that current processes were susceptible to being overburdened and hence retarded if more data was collected. P11 stated, "A lot more disclosures and a lot more transparency, a lot more coming down the road." P11 also noted, "It's gonna be a lot more work and I'm and I, for one, I'm going to say you know let's just do what we were doing before." Based on participants' responses, involvement in the data collection process influences human resource managers' perceptions of the value of integrated reporting.

The human capital data collection process is a part of the integrated reporting process and it must take place to provide data for comparative analysis in support of claims of changes in the value of human capital. Lai et al. (2017) examined the effort and resources that are required for provision of integrated reporting and noted the connection between what is collected with the strategic planning process of an organization. The implication is that barriers to collection or hesitation in the collection process could affect the execution of strategy tied to human capital development. P14 noted that their organizational leadership hesitated to collect data that could reflect the organization in a negative light. P14 stated that “there was some hesitation from the leadership of actually publishing those outputs until it looked better.”

The human capital data collection process had the potential to reflect the value or lack of value management placed on human capital, and its influence on how human resource managers perceive the value of the integrated reporting process. Vithana et al. (2019) examined human resource disclosures in the United Kingdom, leading Vithana et al. to conclude that less human resource disclosure was a sign of the existence of a fragmented relationship between employees and management. P1 noted that the executive leadership of their organization was hesitant about the inclusion of too much data related to human capital. P1 stated, “They don’t care about the people in the crowd. They care a lot about client acquisition and less about the employee.” P1 continued to describe the hesitation of leadership to allow P1 to include more human capital data related to employee development and satisfaction. P1 stated, “The people part in a way take the backseat like our own employees because we’re so focused on the client.” P3 concurred with P1 on human capital data exposure, stating that the leadership of their organization also encouraged the human resource department to be hesitant in disclosing human capital data that did not reflect well on the organization.

P1 also indicated that organizational leadership encouraged the human resource department to develop a narrative to explain away any negative interpretation of the data. If the narrative could not be interpreted to suit the organization's senior leadership, P1 stated, "So, if it's something that looks particularly bad, and there isn't a way to spin it or explain it, then we'll put it on hold. We may not record it that year." However, P1 indicated hesitation over any attempt to go against leadership and attempt to disclose data relevant to employee development and satisfaction, the data that P1 indicated relates to employee retention. P1 stated, "I wish, I was being asked for more. I wish they cared about bigger pieces, but it doesn't appear to be a priority sort of thing. So, we are not paying as close attention to retention." Participants' responses related to the descriptive code of hesitation contributed to the second overarching theme.

The human capital data collection process could act as a measurement to determine the value management place on human capital and influence how human resource managers perceive the value of the integrated reporting process. Vithana et al. (2019) discussion of human resource disclosures in the United Kingdom indicated that an increase in human resource disclosure was a sign that there exists an increased relationship between employees and management. P1 reported that the leadership encourages disclosing employee turnover ratios.

Within the caregiver population, the turnover rate there is about 50% on an annual basis that is pretty aligned, unfortunately, with other departments of the company. I think the industry standard in all is about 30% and we are at 50%. (P1)

P1 also described how the changes in board members and executives every six months to a year are followed by new executives asking for different items to be reported. P1 indicated that so far limited requests from executives relate to why the turnover ratio is higher than the industry average.

P2 suggested that the integrated reporting process has allowed the human capital disclosures to evolve into a tool they use for strength, weakness, opportunity, and threat (SWOT) analysis.

We disclosed our training budget, the number of training initiatives that we undertook, and I would say that it was meant to be a high-level overview originally. What it's taken on is a much more substantial capital, to the point SWOT analysis of where we're looking at where we feel that we need to be focusing on as skill sets to be better prepared for some of the challenges that we're seeing arising. (P2)

P3's organization tracked and disclosed categories of employee benefits and demographic information. P3 stated "We have good tuition reimbursement, so we track degree programs. We do track age. We track diversity. Diversity is a big one right now." P9's company disclosed their accomplishments, hiring record, and employee demographics.

Within the report, we talk about some of our accomplishments, based on different parts of that employee lifecycle. We highlight black teachers that have been hired, male teachers that have been hired, and turn over in specific units. And then we put out our recruitment and hiring goals. So, what our goals are and then next year. In our next year's version, we will identify if we've met those goals or not. On top of that, we take those hiring goals that we've made public. (P9)

Participants' responses related to the descriptive coding of *disclosure* revealed the second overarching theme.

Active and full collection of human capital data that would yield fuller disclosure of human capital data is a part of the process that makes for a more robust human capital section and influences human resource managers' perception of the value of the integrated report. The participants that engaged in disclosing more human capital data compared to less data indicated a positive current perception of integrated reporting. The participants who reported less human capital-related data also indicated a positive perception of the integrated reporting process and indicated a desire for more disclosure and more departmental collaboration in the future.

Findings related to data collection is in line with existing literature assertion that department

collaboration and more disclosure not less influences human resource managers' perception of the integrated reporting process.

Metrics

There exists an influence of tracking human capital-related metrics that include employee satisfaction levels, employee performance levels, employee turnover ratios, changes in retention levels, changes to training processes, and changes to training effectiveness levels on human resource managers' perception on integrated reporting. P5 suggested that the arrival of a new CFO that once made aware of low productivity, requested integrated reporting include data on employee satisfaction. P5 stated the new CFO wanted answers to the questions "Why are the employees not reaching productivity? Is it employee satisfaction?" P5 asserted that once the data was collected, determining what data will be included and used soon followed. P5 stated, "We do determine what metrics have made the biggest impact and which ones are relevant to what we're trying to accomplish."

And then we do a survey of employees and see what they think and where they think the organization is going. It's kind of like a satisfaction survey, then we take those two things, the most important things, the things we need to work on the things that are going right, and we publish those in the report. (P5)

P5 discussed the importance the organization placed on retaining satisfied employees "So, our concentration was on stopping the hemorrhaging of employees and people leaving and keep them satisfied to keep them to stay." P10 stated, "We do a survey that's administered by an outside party on staff satisfaction or employee morale." P10 indicated that in addition to strategic planning, reporting staff satisfaction is important. P10 acknowledged that prior to integrated reporting, staff satisfaction level was not being tracked. P10 stated, "I think those two things: staff satisfaction and plan goal progress, I think those are things no one knew prior to having this report." Based on participants' responses, human capital-related metrics like employee

satisfaction levels influence human resource managers' perceptions of the value of integrated reporting.

The metric of performance level has an influence on human resource managers' perception of integrated reporting. P7 indicated that the organization segments performance management. P7 stated, "We reported like which percentage of employees were in which buckets of performance management." P15 suggested that the use of measuring performance has helped human resources in placing employees on the right job working on the best contract for their skill level and personality.

It has made us more aware of those employees who need that extra discussion, for lack of a better term. Why is this employee having problems? Before we would just assume that it was a training problem, but when you compare it to well they did really well productivity wise on this contract but not on this contract. (P15)

The metric of turnover ratios along with changes in retention levels and changes to training processes and effectiveness has an influence on human resource managers perception of integrated reporting. P10 stated, "Not only can I tell you what your historical turnover has been but I can start to map out what the future turnover might look like." P11 offered another view.

We've been working at home for the last three months remotely, which has become a little bit of a hardship when you need to train people so now, we're training them over zoom. But I think reporting is going to have to become a lot more transparent.

P11 further stated, "We looked at our attrition our retention how we can keep employees how we can make them happy."

P7 observed that organizations also use integrated reporting to track turnover and performance. P7 stated "Because the information we're publishing is around a hiring, turnover and performance that impacts budget decisions. It's mostly our finance, the finance team, that would be impacted because of budgetary changes throughout the year." Participants' responses related to the descriptive coding of *employee turn-over ratios* along with *changes in retention*

levels and changes to training processes and effectiveness as a part of the pattern that revealed the second overarching theme. Tracking turnover ratio levels also influenced human resource managers' perceptions of integrated reporting.

Tracking human capital metrics including employee satisfaction, performance, turnover ratio, retention, and training as part of the integrated reporting process influences human resource managers' perception of the value of integrated report. Malik et al. (2019) in their discussion about the role of human resource managers and organizations having a “sustain competitive advantage” that there were some “ability enhancing practices” and some “motivation enhancing practices.” Malik et al. stated that “ability enhancing practices” includes training and hiring. Malik et al. also stated that that “motivation enhancing practices” of human resource departments include employee performance management. According to Winterton and Cafferkey (2019), internal office politics and the ability of employees to navigate organizational bureaucracy represent elements of on-the-job training. Dubos (2017) explained that human capital represented investments that increased employees' skills and overall technical knowledge. The existing literature is in line with the assertion that tracking human capital metrics including employee satisfaction, performance, turnover ratio, retention, and training as part of the integrated reporting process influences human resource managers' perception of the value of integrated report.

Longevity

There exists an influence related to the length of time an organization performs the integrated reporting process and the length of time the human resource managers have been involved in representing the process on the human resource managers' perceptions on the integrated reporting. P2 had 20 years of experience with integrated reporting. P2 clarified, “At

this organization, seven years. I've been an executive in HR [human resource] for over 20 years. I have about 40 years of experience in HR and operations.” P3 had 16 years of experience and P6 had 15 years of experience. P16 reported having 20 years of experience. Participants' responses related to the descriptive coding of *longer time* using integrated reporting was a part of the pattern that revealed the fifth overarching theme. Based on the participants' responses, the length of the integrated reporting process influences human resource managers' perceptions of integrated reporting.

There exists an influence related to the length of time on the job of executive leadership in the organizations performing the integrated reporting process on the human resource managers' perceptions on the integrated reporting. P2 reported that the organization's leadership introduced the practice to the organization. P2 stated, “Last year, we've been doing training and we've had a new board member, one of the board members, provide integrated reporting, and we've started talking about doing that for all value creation points of view.” P2 also described the business environment encouraged by the leadership.

Because well, the more holistic in the way that we're looking at our business. The impact of what we do, why we do it. As well as, you know, what direction, we should be, that is more congruent with what our mission is and what we're trying to accomplish. (P2)

P3 indicated that the organization CEO was supportive of the human resource department and their goal to increase diversity. P6 responded that leadership in the organization supports the integrated reporting process.

I started working in the company that reporting was, you know, something that they were just doing because I think they needed to do it and then as they saw how much it could help them with getting these accolades and you know the stars within the industry that then their focus on it became a lot more and then they started using that in all different areas so I think initially it was like, we need to report to the board, what our status of our organization is and then when you know it was a good and positive way. (P6)

P16 indicated that while her experience with integrated reporting was 20 years, every year there are changes to the organization board. P16 suggested changing management “is like starting over each time.” When discussing the possibility of not being allowed to continue conducting employee engagement surveys that had proven successful, P16 stated, “So I really hate to lose that, but you know, it’s that working with another new member.” Participants’ responses related to the descriptive coding of *leadership* revealed the fifth overarching theme. Based on the participants’ responses, executive leadership’s participation in the integrated reporting process influenced human resource managers’ perceptions of the value of integrated reporting.

There exists an influence related to the length of time on the job of human resource managers in the organizations performing the integrated reporting process on the human resource managers’ perceptions of integrated reporting. Participants had responses that related to the descriptive coding of improvements in the metric that was a part of the pattern that would later be revealed as part of an overarching theme. P2 stated, “We’ve found an interest from facilities where they’ve come back with the information and we’ve been able to improve overall attendance.” P3 also indicated that the process has improved. P3 stated, “So we have, we have this year started in January, we have gone down to one reporting body.” P6 suggested that the improvement in the way senior executive leadership has embraced human resource as a strategic partner is an improvement. P5 offered the following assessment:

I don’t think, HR [human resources] was really a part of this whole process and I think that, like, especially in the company I’m with now, they look at me as part of a strategic partner, you know, kind of knowing what’s happening with the company and knowing where things are going. So, having that new partnership with the executive team is a welcome improvement.

Participants' responses to the descriptive code of *improvements in the metric* revealed the fifth overarching theme. Based on participants' responses, human resource managers' length of active involvement in the integrated reporting process influenced perceptions about the value of integrated reporting.

The length of time an organization performs the integrated reporting process and the length of time the human resource managers have been involved in representing the process influences human resource managers' perceptions of the value of integrated reporting. Oh et al. (2018) examination of US Companies CEO tenure resulted in several correlations related to corporate social responsibility and sustainability, both of which relate to the integrated reporting process. Oh et al. discussed that when organizations have a longer-term CEO, there is often decreased corporate responsibility.

Oh et al.'s (2018) examination of U.S. CEOs suggest that tenure by itself does not have a correlation with increased corporate social responsibility. In comparison with the responses of the participants of this study, the findings suggest that for those companies actively participating in the integrated reporting process with executive leadership encouraging all departments to actively participate, that human resource managers have a positive perception of the integrated reporting process. The human resource managers with executive leadership who do not actively encourage all department participation, have less than positive perception of the organization value of integrated reporting.

Limitations

Limitations existed related to participant sample size. The goal of obtaining 16 participants that met the study criteria was a challenge. Sample size was influenced by the very limited U.S. sample pool and by the selection criteria. The chosen participants had to have

worked at a U.S.-based organization. The chosen participants had to have held a position as a human resource executive that included the authority to decide what human resource material was allowed to be disclosed in the integrated reporting over the last two years. The participants' role as a human resource executive also had to include the authority to make human resource disclosures on the integrated reporting going forward. Any individual that did not have authority to make decisions concerning what was disclosed on an integrated report human capital or human resource section was excluded. Additionally, the number of organizations based in the United States that actively prepare integrated reports is very limited due to there being no regulatory requirement for organizations to provide integrated reports.

During the process of selection several prospective participants who initially thought they met the criteria eliminated themselves from further consideration when they realized that they did not fully understand what the term integrated reporting connoted. Indeed, some of the non-qualifying prospective participants noted that they would inquire about the potential for implementing integrated reporting processes in their organizations. These revelations on the part of prospects rejected due to their organizations not actually providing reports that qualified as integrated reports as formally understood further highlighted the fact that the number of potential qualified participants was extremely limited but also highlighted the lack of knowledge of integrated reporting among human resource managers in the United States.

Sixteen participants were chosen and participated in the study to add to the discussion and to mitigate saturation. Selection of a small sample size limited the number of participants and the amount of collected data. In determining the sample size, consideration was given to obtaining enough participants to meet the minimum saturation level. Percy et al. (2015) asserted that having a knowledgeable but small sample size was ideal for obtaining necessary information

in a generic qualitative inquiry with a minimum saturation level. Sim et al. (2018) noted that qualitative researchers use many guidelines when determining sample size. Sim et al. stated that the sample size should be between 12 and 20 participants when studies involve interviews. The study's sample included 16 human resource managers in the United States.

The decision was made to pursue the generic qualitative inquiry as a methodological approach design and mitigate any associated limitations. Queirós et al. (2017) noted that a limitation associated with qualitative research methods is that its use does not allow the relationships between variables to be measured or evaluated. The study's findings could not determine the extent of the relationships between variables that a quantitative methodological approach design would have explored. Instead of exploring those variables, the focus was on creating a descriptive narrative that identified human resource managers' perceptions and to provide an in-depth understanding of the phenomenon. This study was limited to the first-hand unfiltered data that was obtained through interviews. A design involving direct observations or the ability to verify participants' responses independently by reviewing employee records was not possible, though it would have provided independent verification of the findings (Queirós et al., 2017).

There exist a couple of delimitations framed in this study. The first delimitation was the decision to focus on U.S.-based organizations without specifying any particular U.S. region or industry. The second was the decision to focus exclusively on human resource managers as a target population, and only the human capital aspect of integrated reporting. The delimitations contributed to this study not providing a more in-depth knowledge of integrated reporting and the advancement of human capital development.

The decision to focus U.S.-based organizations rather than on a particular region or industry in the United States was delimiting. As implied by General Electric (2019), the process of preparing and reporting integrated reporting in the United States is voluntary. By not expanding the research sampling pool to include other countries, that encourages integrated reporting participation among companies based within their borders, the research was limited. By not specifying any regions within the United States or industry, the research was not able to yield responses that could have been influential in examining any differences or similarities among industries or U.S. regions. The decision to restrict the research focus to U.S.-based companies contributed to the delimitation.

The decision to focus exclusively on human resource managers as a target population, and only the human capital aspect of integrated reporting was delimiting. The decision to focus exclusively on human resource managers implies excluding other parties whose perspectives could have added to the field of knowledge. Participants did not include lower-level employees. By not including other participants, this study did not fully represent all integrated reporting stakeholders' perspectives. By not interviewing other department heads, such as manufacturing or accounting, the responses were missing vital perspective for understanding the complete process of integrated reporting. The decision to restrict the research focus to human resource managers and human capital contributed to the delimitation.

The decision to focus only on the human capital aspect of integrated reporting was delimiting. The decision to focus exclusively on integrated reporting's human capital aspect implies ignoring other capital-related aspects of integrated reporting. These other capital aspects were described by Wen et al. (2017) as including financial, manufactured, intellectual, social and relationship, and natural capital. These other aspects might have provided additional insight into

the development of human capital related to the reporting of financial data, the production of manufactured products, the development of intellectual property, the promotion of the social and relationship initiatives engaged by employees, and the development of natural capital. By not including these other capital-related aspects of integrated reporting, this study did not result in a full representation of the development of human capital through the process of integrated reporting.

Implications for Practice

This section contains a discussion of the implications that exist on the academic community, the community of U.S.-based organizations, their human resource managers, and their employees from the findings revealed from this study. Naynar et al. (2018) noted that a perception gap exists between stakeholders and preparers of integrated reports because stakeholders and preparers have different values concerning human capital disclosures. The assumption related to the uniqueness of individual realities contributed to pursuing a generic qualitative inquiry approach to explore the research topic. First, a description of the implications of the study on the academic community will be discussed. Next, there will be an examination of the practical implication of the findings on the organizations, human resource managers, and employees. The findings have implications that could impact the overall stakeholders of organizations.

The findings of this study advanced the knowledge of integrated reporting. The human resource managers' perceptions provide an understanding of the integrated reporting process to the academic communities. Future research could be influenced by the findings of this study. The value of human capital theory is also supported by the findings. The findings revealed a conflictual decision-making process surrounding human capital disclosures between HR

Management and executive leadership. Further academic examinations could be developed utilizing the knowledge revealed from discovering this research finding.

The implications of findings from this study on U.S.-based organizations, their human resource managers, and their employees was the advancement of knowledge about the human resource managers' perceptions of the integrated reporting process. Previous research on U.S.-based organizations practice integrated reporting is minimum. Research on the perceptions of human resource managers related to preparation of integrated or non-integrated reporting is limited. Research on U.S. employees working for organizations that prepare integrated reporting is rare. Further academic examinations could be developed utilizing the knowledge revealed from examining U.S.-based organizations that prepare integrated reporting. The following section contains recommendations for future research.

Recommendations for Further Research

The examination of the findings and the structural design of this study reveal recommendations for future research. The findings derived from the data support exploration of future research. The decision to choose the design and structure of this research meant acceptance of certain limitations and delimitations that could be overcome in future research. These recommendations are meant to further expand the knowledge and practical applications of the findings revealed from conducting the study.

One recommendation is to explore the perceptions surrounding integrated reporting held by the executives, board members and other department heads, not just human resource managers. The participants' responses seem to be influenced by the organization's focus and direction for the future as dictated by the other executives and executed by other department heads. The examination of the CEO, and the CFO perspectives of the integrated reporting

process could yield additional insight into the reasoning for the directions, instructions, or encouragement, or lack of encouragement they present to human resource departments and other department heads when conducting the integrated reporting process. The examination of the integrated reporting process perspective held by other department heads, such as manufacturing, customer service, or engineering depending on the type of business, could yield insight into the reasoning for execution details of the integrated reporting process. The perspective of integrated reporting and the thinking of integrated reporting among those individuals in the United States who are involved in report preparation and presentation could have influence on the quality, and the expansion of integrated reporting usage through the United States.

A second recommendation involves the study design limitations. An increase in sample populations from the United States in future research could allow for more detail and precise segmented knowledge surrounding the integrated reporting process. While the 16 participants from this study provided additional knowledge into the understanding of the perspective held by human resource managers, the inclusion of additional participants could have added additional nuance, that could have proven beneficial to the expansion of knowledge. The criteria for the participants in this study did not ask participants to identify the industry or geographical region within the United States that their organization was based. The additional knowledge from additional perspectives of individuals from different locations and industries could expand the knowledge surrounding the implementation of integrated reporting through the United States.

A third recommendation involves using a different design and approach to studying integrated reporting. Future research could follow a quantitative approach. Queirós et al. (2017) stated, “The quantitative methodology seeks to obtain accurate and reliable measurements that allow a statistical analysis” (p. 369). As more qualitative findings are revealed, the increased

necessity of performing statistical analysis to track trends and outliers becomes more useful. Research that could highlight which industries have embraced and encouraged the integrated reporting process and using empirical evidence to reflect the rate of human capital development growth in those industries should do a lot to further the knowledge in both integrated reporting and human capital.

These recommendations are meant to further expand the knowledge and practical applications of the findings revealed from conducting this study. The findings revealed from analyzing the data and acknowledging limitations of the chosen design and structure of the study contributed to the realization that further research could expand the breadth of knowledge by enlarging the data while addressing the limitations that existed during this study. The academic fields and the practitioners whose work is impacted by integrated reporting, and the development of human capital should benefit from future research conducted by researchers inspired by this study findings.

Conclusion

The purpose of this qualitative inquiry research was to use human capital theory to understand human resource managers' perspectives of integrated reporting. The focus on human resource managers was based on research by Lai et al. (2017), who found that allowing input from internal leadership, including human resource leadership, helped minimize barriers to integrated reporting. This study extended human capital theory by applying the IIRC's (2019b) integrated reporting framework to determine how elements of the integrated reporting process support the creation of human capital. Understanding how human resource managers use integrated reporting to maximize human capital highlights the value of using consolidated corporate reports when managing strategy, governance, and employee performance (Dumay &

Dai, 2017; IIRC, 2019a; Teixeira, 2017). By answering the study's research questions, it was possible to identify how human resource managers use integrated reporting to improve organizational culture and create short-, medium-, and long-term value for the organization and its employees.

Interviews were conducted with 16 participants. The responses from the interviews were analyzed using the process described by Percy et al. (2015). There were five themes derived from the responses elicited during the study. These themes were used to address the research questions. Combined, the findings highlight the perspectives of 16 human resource managers involved in the integrated reporting process. Participants indicate their positive perspective on the idea of integrated reporting. Participants' responses reveal that while human resource managers may feel the idea of integrated reporting is beneficial, their responses also reflect that lack of support from other department heads and executives weakened the effectiveness of the integrated reporting process. Conversely, participants' responses indicate that active support from executives and other department heads strengthens the effectiveness of the integrated reporting process. Additional studies should be performed to expand knowledge of human capital and the integrated reporting process for academia and practitioners.

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