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Integrated Reporting: Challenges, Benefits and the Research Agenda

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This paper aims to explain the significance of Integrated Reporting (IR) for an organisation's survival and sustainability. It reviews and deliberates the level of importance of IR generally and in Malaysia; the readiness of Malaysia in addressing the next step of post International Financial Reporting Standards (IFRS) convergence; and the extent of effort towards IR in Malaysia. This paper attempts to enrich insights into the domain of IR and its interpolation with the underlying assumption of going concern in accounting. The stand taken by regulators, the benefits of IR and views that oppose IR are discussed and set the platform for the research agenda in the IR domain.

Key words: *Integrated Reporting, Going Concern, Human Capital, Developing Countries.*

Introduction

Integrated Reporting (IR) integrates the financial, environmental, social and governance information into an integrated format (Foster, 2010) and aims to inform the stakeholders about the organisation's strategies and risks, linking its financial and sustainability performance, in an understandable report that provides a holistic and comprehensive future-oriented view on organisations (n.a., 2017 & Tonello, 2011). The IR framework will be able to guide multiple interdependent functions of accountability to satisfy the needs of organisations' stakeholders that require the link between organisations activities and its impact (de Villiers and Maroun, 2018). The fundamental premise behind IR is a sustainable society that meets the necessity of the present and future generations. According to the International Integrated Reporting Council (IIRC), organisations are expected to have sustainable strategies that incorporate long and short-term value for all stakeholders (n.a., 2017a). Unlike traditional financial reporting that focuses on providing figures indicating financial performances, IR provides a holistic view, where performance, strategy and its relevance to social and environmental impacts and issues are addressed (n.a., 2017). This forward-looking information provides informed assessment of the future, not mere historical information about an organisation.

IR should address the financial, social, governance and environmental impacts and organisations should illustrate how the governing structure has utilised its resources in identifying and addressing these impacts, incorporating into the company's strategy. The key objective of IR is to enhance accountability and stewardship of tangible and intangible capitals and promote understanding of their interdependencies. The IR framework facilitates the preparers to communicate the value creation story of an organisation in a meaningful and reliable way. This allows the users to make an informed decision based on the prospects of an organisation's sustainability over the short, medium and long-term (n.a., 2017a) as IR has enormous influence on corporate behaviour by exploring the positive and negative externalities faced by organisations (Eccles, 2010; Eccles, 2012).

IR is market driven and its principles-based framework focuses on integrated thinking to integrate decision-making to create value, by enhancing accountability and stewardship and to promote understanding of the interdependencies of the six capitals: financial, manufactured, human, intellectual, natural and social (de Villiers and Hsiao, 2018). The six capitals bind the six principles, namely strategic focus and future orientation (for sustainability); connectivity of information (comprehensive value creation); stakeholder responsiveness (quality of the relationship among the stakeholders for one common goal); materiality and conciseness (concise information to create value); reliability and completeness (balanced exposure both positive and negative elements in the organisation) and consistency and comparability (consistent report comparable with other organisations) (Blanche, 2011). Interwoven of the capitals and principles are the seven elements of IR: organisational overview and external environment; governance (including corporate governance and human governance); opportunities and risks; strategy and resource allocation; business model; performance; and finally, the future outlook (challenges and linking it to the risks that might be faced by the organisation as this will form part of the strategy). As proposed by IIRC to build trust in the IR initiative, Chaidali and Jones (2017) conceived IR as a trust-building process in the promotion of IR adoption.

Busco et al. (2014) posited that the Sustainable Development Goals by the United Nations are the new universal goals enhanced from the Millennium Development Goals, to promote international sustainability for a better world. Furthermore, IR provides the perfect platform to look at businesses holistically and chart the path to be a sustainable going concern entity, integrating the six capitals with the six principles. This integration is vital, so that organisations can narrate their entire story with connected thinking as one strategy to multiple stakeholders, not fragmented reporting that has distorted the distribution of income and undermined growth of organisations, due to over reliance on financial information (Gomes 2012; Gomes, 2015a).

The journey of joining the dots by creating, dissecting, elaborating, internalising, and producing an integrated report that is meaningful and impactful for the stakeholders in decision-making, is vital to aid corporations to remain sustainable and a going concern. This paper starts off with the discussion of going concern in its importance to the business fraternity. The challenges and benefits in adopting and preparing IR is discussed in the next sections, followed by the roles of the accounting profession and regulators in promoting IR. The reporting of IR will also be deliberated, and the final section of this paper will be concluding IR with identification of research gaps and recommendation of the future research agenda.

The IIRC's mission is to create a globally accepted IR framework which brings together financial, environmental, social and governance information in a clear, concise, consistent and comparable format to help business to make sustainable decisions and enable investors and other stakeholders to understand how an organisation is really performing (Busco, et al., 2013). Plagued with fraud and unethical behaviour, businesses require re-examination and realignment to instil value creation and link between all the six capitals. To eradicate misrepresentation of financial statements and create value by upholding the underlying assumption of 'going concern' as one of the tenet of its financial capital's value creation, organisations need to connect the capitals and the strategies, both internally and externally (Busco, et al., 2013).

Capitalism and the business fraternity is usually blamed as responsible for most corporate and accounting scandals and financial crises. When the 'going-concern' of organisations are at stake, it is vital to link society and business, that integrates the financial and non-financial element in order to be sustainable. As the annual report has become a complex and compliance driven document that doesn't always offer useful information to users to make informed decision, a more responsible human capital is required to curb any unethical or bias behaviour. Human capital as one of IR's six capital, is crucial in implementing the integrated thinking. It is vital to establish that IR's human capital resonates with the notion to give the organisation a soul, living up to the expectation of 'espirit de corps', so that corporate governance can be ensued by itself (Salleh & Borges, 2014).

Alibaba Group challenged the current model of corporate governance, by giving importance to the major owners and customers rather than the shareholders, because it is unfitting to control and command workers and treat them as mere resources and impose rules and regulations on them through corporate governance (Salleh & Borges, 2014). The appreciation and recognition of human capital — who are responsible for the success of organisations — is important. Therefore, governing the human capital appropriately will aid in building trust with customers, partners and shareholders and not mere compliance score sheet of corporate governance.

Challenges in Adopting and Preparing Integrated Reporting

The major challenges in the voluntary adoption of IR are creating a smooth adoption and relevancy to the mainstream business and investor communities, because businesses need to figure out the key risks and opportunities of IR and establish how IR can be incorporated as part of existing reporting requirements (Izma, 2014). Other main reasons for IR being unpopular are getting the board of directors (BOD) to adopt IR and convincing the BOD that the benefits are greater than the costs, and assigning a regulatory body that will establish and enforce IR standards and the potential extension of directors' liability (Izma, 2014).

Integrated thinking has seven steps: defining value within the context of the organisation; articulating how the business model creates value; understanding the trends that impact the operating environment; identifying metrics significant to value creation; gathering reliable data, analysing and deriving insights; demonstrating interconnectivity of strategy, objectives, performance, risk and incentives; and identifying what can be done to further enable integrated thinking and decision-making (Gomes, 2015a). Organisations need to ensure its aspirational features are aligned with the company's foundational socio-economic vision so that their full IR potential can be realised (Gibassier et al., 2018). In order for IR to be an effective mechanism of enhanced accountability, all organisational members need to embrace an integrated thinking approach and structures that are within a reasonable rational ambition and motivate the implementers and facilitate and empower the stakeholders to adopt IR so that the maximum impact of IR can be attained. However, the implementation of integrated thinking is hampered by the misalignment of the role of top management in driving the tone at the top and the culture of the organisation that might not be driven by enthusiasm at lower levels.

For Malaysian organisations, in order to appreciate the reasons for the efficacy of IR, it is vital to understand the salient characteristics of eastern cultures (Hofstede, 1980; Hofstede and Hofstede, 2005). To avoid the 'form over substance' issue, we need to look from Asian culture and business practice perspectives and perform attestation to confirm the accuracy of an organisation's IR. In a developing country setting, it is crucial to produce a trustworthy report to gain stakeholders' trust as opposed to the general western view of trust based solely on the content of IR. Opposing views on the assurance of IR in developed and developing countries is a challenge when it comes to using the IR in making decisions (Singh, et al., 2012).

Flower (2015), argued that the IIRC did not establish all the required areas of IR by focusing only on value to investors, which is skewed towards capitalism, not value on society. IR disclosures are voluntary, and market driven, but Flower (2015) argued that IR should be obligatory and to report any harm inflicted on entities outside the organisation. Brown and Dillard (2014) posited that the concept of IR has weaknesses and researchers argue that there are many inherent challenges related with the implementation of the IR framework (Dumay et al., 2017). Organisations need to establish the purpose of value creation and therefore the change in mind set, business models and long term vision of individuals and organisations adopting IR is necessary. Gomes (2015b) stated that to successfully implement IR, organisations need to look beyond financial information, value its stakeholder relationships and operate in an integrated manner by having the right vision and manage the role of accountants and BOD expectation. Decision makers must move away from focusing on short term to mid-term goals and promote long-term integrated thinking to maintain a sustainable future for an organisation, therefore integrated reports are not always comparable and reduce usefulness to certain stakeholders (De Villiers, et al., 2016). IR should be prepared with honesty depicting the real picture of an organisation's long-term value creation and not a marketing brochure, but many Asian organisations are not keen in sharing certain insights, especially negative issues about their organisation due to confidentiality (Gomes, 2014).

On the operational end of IR, setting appropriate organisational KPIs, identifying appropriate organisational risk indicators, lack of measurement of non-financial data — such as strategy, environmental and societal impacts — and lack of market prices for many natural capital assets and services, are common challenges faced by decision makers in preparing IR. Misalignment of strategies, for example cost cutting strategies such as underpaying or retrenchment of workforce with Corporate Social Responsibility (CSR) activities is a disconnect between long-term financial strategy and being responsible for the human capital and society that will be affected by its decisions (n.a., 2014c). Addressing these challenges, questions the reliability of IR and the need of IR auditing and its extent. The ability to develop resource capability and to appreciate the importance in implementing IR is a challenge for Malaysian organisations, where it's BOD and management teams might not be geared in a holistic manner (n.a., 2015) to get stakeholders across various business functions to adopt IR (Gomes, 2014).

Flower (2015) posited that stakeholders view IR differently, that investors are interested on profitability but not on the value proposition for the society at large. Organisations that aspire to jump on the IR bandwagon and to distinguish themselves, need to get IR to be embraced by all, from the political will to the strategic level management, operational staff and by the entire supply chain. According to Ahmed Haji and Anifowose (2016), the motivation of managers is to legitimise potential in compiling an integrated report rather than satisfying investor needs, even though the intended audience of the report in the framework are the providers of financial capital.

The challenges faced are intertwined, starting from the readiness of the top management, predominantly the BOD of organisations to drive the IR agenda. The top management need to be ‘IR educated’, in order to inculcate integrated thinking in the organisation and embark on the IR journey comprehensively. The mid-level management together with the operational staff must also be enthusiastic to drive this momentum of internalising integrated thinking and reporting throughout the organisations. As IR is market driven, these stakeholders will drive the corporations to prepare a comprehensive IR, because investment decisions and consumer behaviour will be influenced by the ability of corporations to convince that they are not just to make profits. The essence of IR is to make profit ethically for the long-term, with good governance and responsibility towards the ecosystem that organisations operate in. As mentioned earlier, IR is market driven, therefore regulatory enforcement will not work, therefore the government must empower its relevant agencies to encourage IR adoption by providing incentives and education on IR to get the ‘buy-in’ from stakeholders.

The convergence to Malaysian Private Entity Reporting Standards (MPERS), Malaysian Financial Reporting Standards (MFRS) and Companies Act 2016 created regulatory overload, and with limited talent to serve the corporations, adopting IR might not be feasible. IR requires a narration of events to create value for an organisation, but accountants in Malaysia might not be ready due to inadequate English language proficiency to deliver a report that is able to narrate the organisation’s journey. As the readiness and robustness of the preparers in Malaysia are questionable, adopting IR might not be a wise idea. It is also vital to establish whether IR is really needed by stakeholders in decision-making and are the stakeholders willing to ‘pay extra’ for IR? Will IR be a ‘Form over Substance’ as the share price of companies is what most stakeholders are interested about. However, when is the right time to prepare IR?

Benefits of Integrated Reporting

When an organisation discloses information about their future prospects, it should cover detailed financial forecasts and trends impacting the industry and the steps taken by the organisation in addressing those trends. There will be a cost to organisations for not adopting IR, as IR laggard or ‘non-IR compliant’ organisations will be side-lined in the global markets as stakeholders prefer organisations that prepare IR, as it shows sincere effort and honesty in their reports (n.a., 2015). Barth et al. (2017) posited that better quality IR was associated with better financial outcomes, obtained by improving the quality of information available to investors that creates value over time by promoting integrated thinking. Empirical research has been conducted to investigate specific aspects of IR practice that provided insights into how integrated thinking is considered and applied within organisations (Oliver et al., 2016) such as the role and the effectiveness of internal auditing in the context of integrated reports (Haji, 2015; Haji and Anifowose, 2016). On the impact of IR on firm value, Lee and Yeo (2016) found a positive relationship between IR disclosures and firm valuation and Zhou et al. (2017) posited that when an organisation prepares an integrated report that aligns with the IIRC's IR framework, it improved the quality of information for the reporting companies.

IIRC's report in 2014 categorised the benefits in adopting IR in three categories. First, organisations that are working towards their maiden IR find that there is better internal collaboration between departments because departments do not operate in silos, resulting in better productivity and efficiency. The KPIs are more refined to material issues to improve performance management and there is application of integrated thinking and reflection on a well-integrated strategy. It is also evident that there is support from company leadership. In the second category, organisations that have published IR for the first year have improved insights into the business model and value creation, due to thinking deeply on inputs, outputs and outcomes. The internal understanding of strategy improved and it is easier to stay focused on value creation and to redefine what is good for the organisation with improvement in dialogues between management and the BOD. Finally, in the third category, organisations that have published IR for two years or more, experienced a clear understanding of the link between material non-financial information as a leading indicator of financial performance that assists in providing a better picture of the total value generated for society that fosters goodwill with stakeholders and makes the organisation resilient. The stakeholders in these organisations received better insights into business models and long-term performance outlook and their internal decisions improved as information and the understanding of value creation became clearer (Pilot, 2016).

It is also evident that there is a strong correlation between IR practice and better financial performance of organisations (Churet & Eccles, 2014). IR enhances trust that is critical to investors and customers that reduces the risk of investment, and the adoption of an integrated approach improves the usefulness of financial reporting for investors (Bernardi and Stark, 2018).

Roles of the Accounting Profession and Regulators

In the era of big data where information overload can be a problem, IR assists accountants to understand the different parts of an organisation that come together to create value and knowing where the trade-offs are (n.a., 2014c). The accounting profession need to make corporate reporting relevant by focusing on more than just historic financial value and by preparing just a compliance driven report, because accountants have a moral duty and a critical role in promoting 'sustainable capitalism'.

Providers of capital need to know how safe and sustainable their investments are, therefore accountants need to provide transparent but competitive and unique reporting about the organisations. Accountants need to prepare IR that is clear and direct to the point without ambiguity and bias. Preparers of IR have to work with internal and external auditors to administer the assurance standards as a guide to manage the implementation of IR and realign the annual report preparers so that the IR is not created in silo by accountants and corporate communication personnel (n.a., 2014c).

Since the formation of IR in 2010 and its first framework in 2013, many regulators planned to adopt the IR framework. The Securities Commission of Malaysia (SC) recommended the establishment of the IR Steering Committee (IRSC) and included IR in the Corporate Governance blueprint 2011 and formed a task force to review IR development in Malaysia (n.a., 2015). However, the acceptance and implementation of IR is still an uphill task, especially for developing nations. The Malaysian Institute of Accountants (MIA) Integrated Reporting Steering Committee (IRSC) encourages the organisation's top management to drive and educate stakeholders to promote and collaborate with other bodies in IR adoption in Malaysia. IRSC agreed on a three-year strategic plan starting with engagement sessions with preparers and a roundtable with investors. (n.a., 2015) The IRSC has developed a plan for 100 Malaysian companies to embrace IR by 2019, with 30 leading businesses pledging to adopt IR (IIRC, 2018). A follow up is vital to ensure that these 30 corporations that pledged to adopt IR are consistently improving their IR, so that the other 70 Malaysian corporations will have a benchmark to consider when embarking on the IR journey.

Bursa Malaysia should establish its own IR framework to assist Malaysian corporations to start their IR journey. As these corporations' IR reporting improves, they can use other global best practices as benchmarks and perhaps become a market leader in their own domain. As IR is market driven, a dynamic cooperation between Bursa Malaysia, Securities Commission of Malaysia, Companies Commissions of Malaysia, Malaysian Institute of Accountants and researchers is needed to consistently engage and support research and development in IR to assist in convincing the corporations and stakeholders on the need to produce IR that is mutually beneficial to the entire ecosystem. The research community has the aspiration, ability and technical know-how to bridge the regulators, accounting profession and corporations in understanding the purpose, challenges, benefits and IR best practices locally and internationally, be it in general terms or specific to an industry.

The Reporting of Integrated Reporting

According to Anwar (2010), sustainability reporting is the foundation for organisations to implement IR, therefore Malaysia should consistently address issues regarding sustainability reporting by educating organisations to integrate sustainability into management and operations of their business in order to draw awareness of the capital market participants in making sustainability reporting compulsory for listed companies operating in Malaysia. The progress of Malaysia and Association of Southeast Asian Nations (ASEAN) generally in implementing sustainability reporting is encouraging, but more needs to be done to encourage organisations to disclose all crucial information related to financial and sustainability performance in the absence of global standards (Anwar, 2010). CSR is one of the essential elements in an integrated report, and for the integrated report to be meaningful, organisations should include CSR as one of its main concerns. The Malaysian Code of Corporate Governance 2016 is on '*apply or explain an alternative' basis*, that encourages organisations to prepare by recognising the significance and value of integrating CSR into all aspects of business operations and decision-making processes. This can be a precursor in adopting IR.

According to Jensen & Berg (2012) and Garcia-Sanchez et al. (2013), legal settings and cultural dimensions influence the adoption and preparation on IR efforts. A nation's level of economic and social development influences the quality of integrated reports rather than just IR adoption. It is therefore vital to establish appropriate proxy for 'IR adoption' or 'IR quality' (De Villiers, et al., 2016). By adopting IIRC's 'Corporate Reporting Lab' to avoid unnecessary reporting or disclosure and to make reporting simple, lean and meaningful, DBS Group Holdings Singapore, used IR and the concept of materiality to slim down its annual report and financial statements. Many organisations in Japan and in the United Kingdom are preparing IR, but there are no market leaders in Malaysia. This can be due to the negative impact of information and regulatory overload and statutory reporting duplication (n.a., 2015), but moving forward, the level of IR acceptance by large corporations globally and in Malaysia has improved (IRSC, 2018)

India's Kirloskar Brothers Ltd (KBL) published its first IR for financial year 2013-2014 and achieved a shift in mind-set cross the organisation. IR enabled KBL to identify its key stakeholders and establish a robust stakeholder engagement programme, unveiling more possibilities and innovation in its business model (n.a., 2015). IR is a listing requirement in South Africa and it has improved integrated thinking in its organisations. American organisations such as United Technologies, American Electric Power and Southwest Airlines, BASF from Germany, Denmark's Novo Nordisk, Netherland's Philips and Brazil's Natura are some of the organisations that practice IR (Eccles, 2012). Organisations in Japan such as NEC, Fujitsu and Mitsubishi, as well as Hong Kong's Swire Group and Korea's Samsung and SK Telecom, Singapore's Marine Port Authority, DBS, Singapore Stock Exchange and Malaysia's Sime Darby, have embarked on the IR journey and are reaping its benefits by upholding the underlying assumption of 'going concern' in accounting and being sustainable for the foreseeable future (n.a., 2015).

Since IR is voluntary, its practice is not consistent in regions around the world. Where organisations in Europe are most dedicated in preparing IR, Asian, American and Canadian organisations are having the lowest participation, plausibly because the importance of sustainability, environment and social issues are not seen as strategic to their investors (Tonello, 2011). Kaye (2010), posited that many corporate social responsibility reports in the USA have been criticised for being viewed as marketing tools instead of a genuine discussion of what a company is doing to reduce negative impact to the environment and society. This evidence indicates that most of the American organisations did not see the importance of the impact that their businesses might bring to the stakeholders.

According to a report by PwC in 2014, based on top 30 Bursa Malaysia companies, 90% of companies provided a high level strategic vision of where they aspire to be, but only 33% include information on their strategic priorities in their annual report. 90% provide some details on the market trends driving their growth, but only 20% linked it to the strategic choices made in response to the trends. 43% included the term 'business model' in their report, but only 7% of those explicitly link the business model to value creation. 87% refer to culture, value and tone from the top when discussing governance, but only 10% provided insight on corporate governance activities. Only 27% reported their principal risks, even though Bursa Malaysia requires all companies to include a statement of risk management and internal control. Only 40% embedded sustainability in their overall business strategy and finally, only 40% explicitly define their key performance indicators, but out of this only 40% linked KPIs to their strategy (n.a., 2014a; n.a., 2014b).

To improve the adoption of IR, organisations need to be investor driven. Therefore, human capital needs to be well-developed to be ready for IR, with excellent communication and public relations skills. Organisations need to expose the current inadequacy of comprehensive information that is lacking in annual reports with regards to the organisation's value. Top level management need to be committed to elevate IR to a greater level by creating internal awareness by looking at IR as a dynamic report and by getting all stakeholders involved in creating a multi-year roadmap for the organisation.

There is significant potential for IR development in Malaysia, however, it requires human capital that understands IR. Knowing whether the slack is from the top management, middle management or the operations or from all levels of employees can assist in formulating strategies to implement the road map to IR. PwC's report in 2014 discovered that even though corporations are able to report high level strategic vision, not many include information on their strategic priorities and are unable to link strategic choices to the trends identified. Corporations were also unable to explicitly link the business model to value creation, with poor insight on corporate governance activities, inadequate reporting on their principal risks and without linking KPIs to strategies. This clearly shows that corporations do not know how to 'join the dots' in IR, hence a framework will be a great start to understand all the six capitals, the six principles and the seven elements that bind them.

Conclusion and Recommendation for Future Research

Based on these low levels of reporting, it is evident that the adoption of IR by Malaysian companies is low. Perhaps the government needs to regulate the implementation of IR in Malaysia, but IIRC's philosophy is that governments should not regulate IR as it has to be market driven. Therefore, perhaps governments should take the lead by adopting IR in the public sector and government linked companies (Gomes, 2015a). The challenges of IR can be mitigated if organisations observe the qualities that are required in establishing a formidable human capital culture, as the issue of trustworthiness, highlighted by the detractors of IR, might be addressed and the issue of 'form over substance' avoided. Integrated thinking in organisations discloses changes such as introduction of new disruptive technologies; shift in consumer needs, desires and behaviour; shift and interconnectedness of multiple supply and distribution chains; change in stakeholders' influence in the organisation; the need for specific skilled workforce; employment trends; population and geo-political changes. Organisations need to connect the dots of strategy, risk, business model and KPIs to provide relevant information to stakeholders by interconnecting relationships between capitals, inputs, outputs, outcomes and impacts so that organisations can be sustainable for the foreseeable future and to be resilient to strive and survive.

So this calls for efforts to empirically demonstrate the benefits of IR, generally and also from the Asian perspective. Factors that can explain the reasons why IR is accepted in certain contexts and the strategies that are adopted to introduce and expand IR practices in different institutional settings can be researched (Rinaldi et al., 2018). Other possible research areas are to investigate on the type of information that various stakeholders require about the corporations. IR must be able to link what the corporations want to tell and what the stakeholders want to hear. It must be two directional, where the IR is not only about a lot of information, but information that stakeholders will want to use to make decisions. This relationship between corporations and stakeholders needs to be well understood, so that the purpose and role of IR can achieve its full potential. As well as research to understand why certain stakeholders are not keen on IR and why some are ever willing to embrace IR, and why IR is focused on the concept of 'value for investors' and not 'value for society' (Flower, 2015).

To make IR impactful, research is needed to establish best practices and methodologies in implementing IR, so that there is a mutual need for IR by both the corporations and stakeholders (Rinaldi et al., 2018). Another area of interest using quantitative methodology is the impact of IR on firm value or other indicators. The most impactful journey of IR can be written by the academics, from understanding the history and impetus of the one report to the current preparation of IR and the future needs and demands of IR. A collaboration between researchers, corporations, regulators and accounting firms will be able to provide the three outputs of IR literature: to provide case studies for teaching, real world impact for industry and practitioners, and in-depth academic research that looks at empirical research applying theories and by proving or debunking hypotheses. The future research agenda for IR is vast and robust, therefore qualitative and quantitative methodologies can be applied using primary and secondary data to understand, establish and recommend the need and impact of IR to the corporations and all other stakeholders in the IR ecosystem.

Stakeholders should be educated to promote the need of IR, even though SC and Bursa Malaysia are not making IR mandatory for listed companies. Malaysia is aiming high to be in the elite circle of preferred nations in this region and it is no longer the issue of whether we have the ability or need to be in line with IR, but it is a necessity for organisations in Malaysia to create their niche especially with the introduction of ASEAN Economic Community.

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