

Theory of the innovative Firm and Integrated Reporting Model: First Essay from NIBR Guidelines for SMES in Italy

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This paper investigates the theoretical relationships among Integrated Reporting (IR) and the theory of the firm. The review of the integrated reporting literature is focused on the Business Administration perspective. The paper aims to understand what is the possible innovations which can be grasped about the theory of the firm underpinning IR. A qualitative research is carried out on the basis of three different phases: the search for relevant key words, the content analysis applied to Network Italian Business Reporting (NIBR) Guidelines for SMEs in Italy, and finally an in-depth interview to an expert belonging to NIBR committee. The results show that the idea underpinning the integrated reporting (IR) seems to underline the value of other capitals rather than financial one that are considered only according to their contribution to the company's wealth. Nevertheless, the empirical research of this paper as well the most recent Business Administration literature review showed that despite all the premises the results are still quite disappointing. This paper contributes to both literature and practice by offering an in-depth analysis of the link between the theoretical aspects of business theory, the current evolutionary

trends in accounting (expressed by IR) and their application in the real world. The results of this paper can offer interesting insights to scholars and accounting professional bodies who must lead accountability strategies and tools. The issue of some stimuli about new concept of the firm underpinning the integrated reporting is particularly relevant in the European context and in Italy. Following the transposition of the European directive (2014/95/EU), Italian Legislative decree 254/2016 requires listed companies, banks and insurance companies of certain size to draw up a non-financial statement, containing additional information on the environment, society, workforce, respect for human rights, active and passive anti-corruption measures. Non financial information have to disclose in addition to the traditional annual statements (La Torre, Sabelfeld, Blomkvist, Tarquinio, & Dumay, 2018; Monciardini & Conaldi, 2019; Campa, Esposito, & Lombardi, 2020). One of the tools that companies can use to comply with legal requirements is integrated reporting (IR) on which there is an extensive literature (Flower, 2015; Brown & Dillard, 2014; Rowbottom & Locke, 2016).