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Strengthening Accounting Information Quality on SME Community Based on Artificial Intelligence and Integrated Reporting Stakeholder Trust

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ABSTRACT
This study aims to examine how artificial intelligence readiness and integrated reporting contribute to accounting information quality and, in turn, influence investor trust and corporate performance in a sustainability-oriented business context. Employing a qualitative research approach grounded in a comprehensive literature review, this study systematically reviews and synthesizes recent and seminal academic work in accounting, corporate reporting, artificial intelligence, and capital markets. The method involves thematic and content analysis of peer-reviewed journal articles and authoritative institutional reports to identify recurring patterns, theoretical linkages, and convergent findings related to the proposed constructs. The results indicate that artificial intelligence readiness and integrated reporting function as complementary organizational capabilities that enhance accounting information quality by improving accuracy, transparency, and contextual coherence of corporate disclosures. Accounting information quality emerges as a key mediating mechanism through which technological readiness and reporting architecture strengthen investor trust. The findings further suggest that higher investor trust facilitates improved corporate performance by reducing information asymmetry, lowering the cost of capital, and supporting long-term sustainable value creation. The main contribution of this study lies in developing an integrated conceptual understanding that connects digital readiness, advanced reporting practices, and sustainability-oriented performance outcomes. This study provides theoretical insights for accounting and disclosure research. It offers practical implications for managers seeking to align digital transformation and reporting strategies with investor expectations and sustainable corporate performance.

Keywords: Artificial Intelligence Readiness, Integrated Reporting, Accounting Information Quality, Investor Trust, Corporate Performance.

I. Introduction

The accelerating pace of digital transformation has profoundly reshaped contemporary corporate environments, particularly in financial reporting, information disclosure, and stakeholder communication.

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Organizations today operate within increasingly complex and data-intensive ecosystems, where the ability to process, analyze, and communicate information accurately and transparently has become a critical determinant of competitive advantage and market legitimacy. Among the technological developments driving this transformation, artificial intelligence (AI) has emerged as a pivotal force, enhancing organizational decision-making, operational efficiency, and information quality. Simultaneously, the evolution of corporate reporting frameworks toward more holistic and forward-looking models—most notably integrated reporting—reflects growing demands from investors and other stakeholders for transparent, comprehensive, and value-relevant information (International Integrated Reporting Council [IIRC], 2021; Di Vaio et al., 2023). Artificial intelligence readiness represents an organization's capacity to adopt, implement, and effectively utilize AI technologies through adequate technological infrastructure, skilled human resources, data governance, and strategic alignment. In the context of accounting and financial reporting, AI readiness is increasingly associated with the application of machine learning, robotic process automation, natural language processing, and advanced analytics to improve the accuracy, timeliness, and reliability of financial information (Raisch & Krakowski, 2021). Prior studies indicate that firms with higher levels of AI readiness tend to experience improvements in reporting precision, reduced manual errors, and enhanced internal control systems, which collectively contribute to higher accounting information quality (Kokina & Davenport, 2017; Appelbaum et al., 2020). These improvements are particularly relevant in capital markets, where information asymmetry between corporate managers and investors remains a persistent challenge.

Alongside technological readiness, integrated reporting has gained global attention as a reporting approach that seeks to bridge the gap between financial and non-financial disclosures. Integrated reporting emphasizes the interconnectedness of financial capital with other forms of capital—such as human, intellectual, social, and environmental capital—in explaining how organizations create value over time (IIRC, 2021). Empirical evidence suggests that integrated reporting enhances transparency, reduces information asymmetry, and improves stakeholders' understanding of corporate strategy and long-term performance prospects (De Villiers et al., 2017; Vitolla et al., 2020). As investors increasingly integrate environmental, social, and governance (ESG) considerations into their decision-making processes, the relevance of integrated reporting as a mechanism for building credibility and trust has become more pronounced. Accounting information quality constitutes a central pillar of effective corporate reporting and is commonly conceptualized through attributes such as relevance, faithful representation, comparability, verifiability, timeliness, and understandability (International Accounting Standards Board [IASB], 2018). High-quality accounting information enables investors to assess firm performance, estimate future cash flows, and evaluate risk with greater confidence. Prior research consistently demonstrates that higher accounting information quality is positively associated with investor trust, lower cost of capital, and improved firm valuation (Francis et al., 2008; Biddle et al., 2009). In this regard, both AI readiness and integrated reporting practices can be viewed as complementary mechanisms that strengthen the quality of accounting information by improving data integrity, contextual richness, and disclosure coherence.

A notable phenomenon in contemporary capital markets is the growing sensitivity of investor trust to the credibility and transparency of corporate disclosures. Corporate scandals, financial misstatements, and governance failures have underscored the fragility of investor confidence and the substantial economic consequences of information opacity. As a result, investors increasingly scrutinize not only financial outcomes but also the systems, technologies, and reporting frameworks through which information is generated and communicated (Bushman & Smith, 2001). Firms that demonstrate advanced technological capabilities and transparent reporting practices are more likely to be perceived as reliable and forward-looking, thereby fostering stronger investor trust and engagement (Cheng et al., 2014). Within this context, corporate performance is no longer evaluated solely through short-term financial metrics but also through indicators of long-term sustainability, market reputation, and strategic resilience. Prior studies suggest that enhanced disclosure quality and digital innovation contribute to superior corporate performance by reducing agency costs, improving capital allocation efficiency, and strengthening stakeholder relationships (Healy & Palepu, 2001; Martinez-Ferrero et al., 2015). Integrated reporting, in particular, has been shown to positively influence

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firm performance by aligning managerial decision-making with long-term value-creation objectives and signaling commitment to transparency and sustainability (Barth et al., 2017).

Despite the expanding body of literature examining AI adoption, integrated reporting, and accounting information quality, existing studies often investigate these constructs in isolation. Research on AI in accounting has primarily focused on operational efficiency and audit quality, whereas studies on integrated reporting have predominantly emphasized disclosure quality and capital market outcomes. Similarly, accounting information quality is frequently examined as an antecedent of firm performance without sufficient consideration of the technological and reporting infrastructures that underpin it. Consequently, there remains a significant gap in empirical understanding regarding how AI readiness, integrated reporting, and accounting information quality interact to influence investor trust and corporate performance within a unified analytical framework. The relevance of this study is further underscored by the increasing pressure on firms—particularly publicly listed companies—to demonstrate both technological sophistication and transparency in response to global competition and regulatory expectations. As capital markets become more information-driven, investors rely heavily on credible signals embedded in corporate reports to guide investment decisions. Understanding the extent to which AI readiness and integrated reporting contribute to enhanced accounting information quality and investor trust is therefore of substantial importance to academics, practitioners, and policymakers alike (Vitolla et al., 2020; Di Vaio et al., 2023).

This research adopts a quantitative descriptive approach to empirically examine the relationships among artificial intelligence readiness, integrated reporting, accounting information quality, investor trust, and corporate performance. By employing measurable indicators and statistical analysis, the study seeks to provide objective evidence regarding the strength and direction of these relationships. Specifically, the study aims to describe the level of AI readiness and integrated reporting implementation among firms, assess the perceived quality of accounting information, and analyze how these factors collectively influence investor trust and corporate performance outcomes. The objectivity of this research lies in its reliance on empirical data and established measurement constructs drawn from prior literature. By focusing on observable variables and avoiding normative judgments, the study contributes to a more systematic and replicable understanding of how technological readiness and reporting practices shape corporate information environments. Ultimately, this research seeks to extend existing theoretical frameworks by integrating technological, reporting, and information quality perspectives, thereby offering a more comprehensive explanation of investor trust formation and corporate performance in the digital era.

II. Literature Review and Hypothesis Development

2.1. Artificial Intelligence Readiness and the Accounting Information Environment

Artificial intelligence readiness is increasingly conceptualized as a firm-level capability that reflects the availability of data infrastructure, digital skills, governance mechanisms, and strategic alignment needed to deploy AI effectively across core business functions. In accounting and reporting settings, AI readiness is not limited to acquiring tools; it also includes the organizational capacity to integrate AI outputs into controls, audit trails, and decision routines so that reporting remains consistent, explainable, and compliant. Contemporary studies argue that readiness conditions whether AI adoption becomes value-creating or risk-amplifying, because low readiness can lead to model bias, weak data lineage, and opaque automation that undermines reporting credibility (Raisch & Krakowski, 2021; Mikalef et al., 2020). Within this logic, AI readiness is best treated as an antecedent to information-quality outcomes rather than as a binary adoption label.

A growing stream of accounting information systems research shows that AI-enabled analytics can improve the accuracy, timeliness, and consistency of accounting outputs by automating classification, anomaly detection, and continuous monitoring. When AI is deployed within a mature control environment—supported by standardized data definitions and robust governance—firms are more likely to reduce manual error and improve the reliability and decision-usefulness of financial reports (Appelbaum et al., 2020; Kokina

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& Davenport, 2017). Recent work further suggests that AI innovation can enhance textual attributes of disclosure (e.g., readability and precision) in narrative reporting, implying that AI can influence not only the numbers but also the interpretability of corporate communication (Li, 2025). These findings reinforce the premise that AI readiness is closely tied to accounting information quality through both operational and disclosure channels.

However, recent evidence also highlights governance and measurement gaps in practice, where organizations may deploy automated tools without systematically assessing impacts on audit or reporting quality. Such gaps matter because investor confidence depends not only on reported outcomes but also on the perceived robustness of the processes that generate those outcomes. Institutional studies on readiness and resistance emphasize that perceived threats—such as ethical risks, accountability ambiguity, and explainability constraints—can weaken readiness and slow effective adoption even when technological benefits appear significant (Moron & Diokno, 2023; Raisch & Krakowski, 2021). Therefore, AI readiness should be understood as a multidimensional capability that includes oversight, ethical assurance, assurance integration, alongside infrastructure and skills.

In terms of research positioning, the literature suggests that AI readiness should be linked to improved accounting information quality through mechanisms such as reduced reporting errors, more substantial internal control effectiveness, enhanced fraud-detection capabilities, and more transparent narrative disclosure. However, much of the prior work remains fragmented, focusing either on technical potential or isolated outcomes, without integrating investor-oriented constructs such as trust and performance consequences. A more complete theoretical bridge is implied by disclosure theory and information economics, which suggest that higher-quality information reduces asymmetry and enables better capital allocation decisions, which can translate into stronger corporate performance (Healy & Palepu, 2001; Bushman & Smith, 2001). This motivates examining AI readiness not as a technology topic alone, but as an information-quality capability with downstream market implications.

2.2. Integrated Reporting as a Trust-Building Disclosure Architecture

Integrated reporting (IR) emerged to respond to stakeholder demands for a coherent account of how organizations create value over time by connecting strategy, governance, performance, and prospects with both financial and non-financial capital. Unlike traditional reporting that can separate sustainability narratives from financial statements, IR emphasizes connectivity and long-term value creation, making it particularly relevant for investors assessing resilience and risk in uncertain environments (International Integrated Reporting Council [IIRC], 2021; De Villiers et al., 2017). Empirical studies commonly find that higher-quality integrated reporting is associated with reduced information asymmetry and improved market outcomes, suggesting that IR can serve as a credibility signal when disclosures are substantive and internally consistent (Barth et al., 2017; Vitolla et al., 2020).

Recent empirical work continues to extend these relationships by linking integrated reporting to firm value under different contextual conditions. For instance, evidence indicates that IR can be positively associated with firm value and that governance-related attributes (such as executive integrity) may strengthen the value relevance of IR, consistent with signaling theory and credibility arguments (Alatawi, 2025). Moreover, newer studies investigate how IR quality is associated with cost-of-capital components, supporting the view that high-quality integrated disclosures may reduce perceived risk and required returns through enhanced transparency (Cheng et al., 2014; Francis et al., 2008). Such findings are significant for investor trust because trust is shaped by both disclosure content and the perceived integrity behind disclosures.

Despite positive findings, the literature also warns that integrated reporting can become symbolic if it is adopted as a compliance exercise rather than as a genuine integration of strategy, governance, and performance management. When IR narratives are boilerplate, selectively optimistic, or weakly connected to measurable outcomes, stakeholders may perceive them as impression management, which can erode rather

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than build trust (De Villiers et al., 2017; Martinez-Ferrero et al., 2015). Accordingly, research increasingly emphasizes IR quality—clarity, completeness, connectivity, and materiality—rather than mere adoption. This distinction supports using integrated reporting quality as a descriptive quantitative construct and examining how it interacts with information systems capability (including AI readiness) to shape information credibility.

From a synthesis perspective, integrated reporting can be interpreted as a disclosure "architecture" that structures how accounting information and broader value drivers are communicated. If AI readiness improves data integration, real-time analytics, and narrative consistency, it may enhance IR quality by enabling more reliable, connected, and decision-useful disclosure across capitals. Conversely, IR provides a governance-oriented framework that can discipline the use of AI outputs by embedding them in a broader accountability narrative. This complementarity suggests that IR quality and AI readiness may jointly support accounting information quality and investor trust, rather than operating as independent drivers (Vitolla et al., 2020; Appelbaum et al., 2020).

2.3. Accounting Information Quality, Investor Trust, and Corporate Performance as an Integrated Outcome Chain

Accounting information quality (AIQ) is commonly discussed in terms of qualitative characteristics such as relevance, faithful representation, comparability, verifiability, timeliness, and understandability, which collectively determine whether accounting numbers and disclosures support sound investor judgment (International Accounting Standards Board [IASB], 2018). The financial reporting quality literature further operationalizes AIQ through constructs such as accruals quality, earnings persistence, and disclosure quality, emphasizing that information quality shapes forecasting ability and risk assessment (Dechow et al., 2010; Francis et al., 2008). In capital markets, higher-quality accounting information is consistently linked to lower information asymmetry and more efficient investment decisions, supporting the argument that AIQ is an important pathway from internal reporting processes to external performance outcomes (Biddle et al., 2009; Lambert et al., 2007).

Investor trust, while widely studied in organizational research, has a specific meaning in financial contexts: it reflects investors' confidence that corporate disclosures are credible, consistent, and not strategically distorted, thereby reducing perceived valuation and stewardship uncertainty. Foundational trust models emphasize ability, integrity, and benevolence as trust antecedents (Mayer et al., 1995), and these map naturally onto financial reporting: ability relates to reporting competence and systems capability, integrity to governance and ethical assurance, and benevolence to fair communication and stakeholder orientation. In disclosure settings, investor trust is therefore plausibly strengthened by high AIQ and high IR quality, because both reduce ambiguity and improve interpretability of performance signals (Cheng et al., 2014; Barth et al., 2017). This trust is not merely attitudinal; it can translate into behavioral outcomes, such as greater investment commitment and lower required returns.

Corporate performance is frequently assessed through accounting-based measures (e.g., ROA, ROE) and market-based measures (e.g., Tobin's Q), and theory suggests that performance can improve when firms reduce capital costs, enhance investment efficiency, and strengthen stakeholder support. Prior evidence indicates that better information quality can improve investment efficiency by reducing misallocation, while stronger disclosure can lower the cost of capital, producing favorable valuation and performance outcomes over time (Biddle et al., 2009; Francis et al., 2008). Within the present topic, AI readiness and integrated reporting can be interpreted as upstream capabilities and disclosure mechanisms that elevate AIQ, thereby strengthening investor trust and enabling improved performance through capital market channels. Recent AI-focused accounting research also encourages moving from "does AI matter?" toward "when and how does AI improve measurement and disclosure quality?", aligning firmly with this integrated chain perspective (Stratopoulos, 2025; Li, 2025).

Synthesizing the above, the most defensible literature-based explanation is an outcome chain in which AI readiness and integrated reporting quality function as complementary enablers of accounting

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information quality, which, in turn, shapes investor trust and, ultimately, corporate performance. The chain is consistent with information economics and signaling arguments (Healy & Palepu, 2001; Bushman & Smith, 2001) and increasingly compatible with recent empirical evidence linking technology-enabled reporting improvements to disclosure quality and market outcomes (Appelbaum et al., 2020; Alatawi, 2025). Nevertheless, the literature also implies boundary conditions: weak governance, low explainability, or symbolic reporting could interrupt the chain by undermining perceived credibility. This makes a quantitative descriptive design valuable for mapping levels and relationships among the constructs in a given market context.

2.4. Hypotheses Development

Based on the reviewed literature, this study proposes that greater artificial intelligence readiness is positively associated with accounting information quality, as readiness strengthens data processing, control effectiveness, and disclosure clarity (Appelbaum et al., 2020; Li, 2025). Accordingly, H1 posits that Artificial Intelligence Readiness positively affects Accounting Information Quality. Integrated reporting quality is also expected to be positively associated with accounting information quality by improving disclosure connectivity, materiality, and completeness (Barth et al., 2017; Vitolla et al., 2020); thus, H2 posits that Integrated Reporting Quality positively affects Accounting Information Quality. Because high-quality accounting information reduces uncertainty and supports credible valuation, it is expected to enhance investor trust (Francis et al., 2008; Mayer et al., 1995); therefore, H3 posits that Accounting Information Quality positively affects Investor Trust. Investor trust is then expected to support corporate performance by improving capital access, lowering required returns, and strengthening market valuation (Lambert et al., 2007; Cheng et al., 2014); hence, H4 posits that Investor Trust positively affects Corporate Performance. Finally, consistent with the integrated outcome chain, H5 posits that Accounting Information Quality and Investor Trust mediate the relationships of Artificial Intelligence Readiness and Integrated Reporting Quality with Corporate Performance (Healy & Palepu, 2001; Bushman & Smith, 2001).

III. Research Method

This study adopts a qualitative research approach, grounded in a systematic and interpretive literature review, to explore the relationships among artificial intelligence readiness, integrated reporting, accounting information quality, investor trust, and corporate performance. A qualitative literature-based design is appropriate for this research because the study aims to synthesize, interpret, and conceptualize existing scholarly knowledge rather than to test hypotheses using numerical data. Through this approach, the research seeks to develop a comprehensive understanding of how these constructs are theoretically framed, empirically examined, and conceptually connected within prior academic discourse. The data sources for this study include peer-reviewed journal articles, academic books, and authoritative institutional reports on artificial intelligence in accounting, integrated reporting, financial reporting quality, investor trust, and corporate performance. The literature was collected from reputable academic databases, including Scopus, Web of Science, ScienceDirect, Emerald Insight, and Google Scholar, to ensure the credibility and relevance of the sources. To capture recent developments, the review prioritized publications from the last ten years, while also including seminal works that provide foundational theoretical perspectives. Keywords such as "artificial intelligence readiness," "integrated reporting quality," "accounting information quality," "investor trust," and "corporate performance" were used in various combinations to identify relevant studies.

The literature selection process followed a purposive and iterative strategy. Initially, articles were screened for relevance to the core constructs and research objectives. Studies that explicitly examined AI in accounting or reporting contexts, integrated reporting frameworks, disclosure quality, or capital market consequences of information quality were retained. Subsequently, the selected literature was reviewed in depth to identify theoretical frameworks, research methods, key findings, and conceptual linkages among the

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variables of interest. This process allowed the researcher to refine the analytical focus and ensure conceptual coherence across the reviewed studies. Data analysis was conducted using qualitative content analysis and thematic synthesis. Each selected study was systematically examined to extract key concepts, definitions, and findings regarding the roles of technology readiness, reporting practices, and information quality in shaping investor perceptions and firm performance. Through iterative reading and coding, recurring themes and patterns emerged, including the role of AI in enhancing reporting accuracy, the function of integrated reporting as a transparency mechanism, and the mediating role of information quality in building investor trust. These themes were then organized into higher-order categories to develop an integrated analytical narrative.

To enhance the trustworthiness of the qualitative analysis, this study employed strategies of credibility, dependability, and transparency. Credibility was strengthened by relying exclusively on high-quality, peer-reviewed sources and by cross-validating findings across multiple studies. Dependability was supported through transparent documentation of the literature search and analysis procedures, enabling potential replication. Reflexivity was maintained throughout the analysis by critically evaluating assumptions and interpretations drawn from the literature. Overall, this qualitative, literature-based method enables a nuanced, theory-driven understanding of how artificial intelligence readiness and integrated reporting interact to influence accounting information quality, investor trust, and corporate performance. By synthesizing existing empirical and conceptual insights, the study provides a solid methodological foundation for advancing theoretical development and informing future empirical research in this domain.

IV. Results and Discussion

This section discusses the synthesized results derived from the qualitative literature-based analysis concerning the interplay among artificial intelligence readiness, integrated reporting, accounting information quality, investor trust, and corporate performance. Rather than presenting statistical outcomes, the results are articulated as analytical patterns and convergent insights drawn from prior empirical and conceptual studies. The discussion is organized around an outcome chain perspective, where technological readiness and the reporting architecture act as upstream enablers that shape information quality, stakeholder trust, and performance outcomes. Consistent with recent literature, the findings suggest that artificial intelligence readiness and integrated reporting are not isolated drivers but operate synergistically to enhance accounting information quality, which in turn plays a central mediating role in strengthening investor trust and supporting sustainable corporate performance (Appelbaum et al., 2020; Vitolla et al., 2020; Di Vaio et al., 2023). Significantly, the discussion extends beyond short-term financial outcomes to incorporate sustainability-oriented performance and long-term value creation, aligning with contemporary debates in accounting and reporting research.

4.1. Artificial Intelligence Readiness and Its Influence on Accounting Information Quality

The synthesized findings indicate that artificial intelligence readiness emerges as a foundational capability that significantly influences accounting information quality. Across the reviewed studies, AI readiness is consistently conceptualized as a multidimensional construct encompassing data infrastructure, analytical capability, human expertise, governance arrangements, and ethical oversight (Mikalef et al., 2020; Raisch & Krakowski, 2021). When these dimensions are sufficiently developed, organizations are better positioned to leverage AI tools in accounting processes, resulting in improvements in accuracy, timeliness, consistency, and predictive relevance of financial information. Prior research demonstrates that AI-enabled accounting systems facilitate automated transaction processing, continuous monitoring, and real-time anomaly detection, thereby reducing human error and enhancing the reliability of reported figures (Kokina & Davenport, 2017; Appelbaum et al., 2020). Recent studies further show that AI applications can improve accruals quality and earnings persistence by limiting opportunistic managerial discretion, thereby

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strengthening faithful representation (Dechow et al., 2010; Li, 2025). These improvements closely align with the established qualitative characteristics of high-quality accounting information as defined by the IASB (2018).

However, the literature also highlights that AI does not automatically enhance information quality; rather, its impact is contingent on readiness conditions. Organizations with weak data governance or insufficient explainability mechanisms may experience opacity and algorithmic bias, undermining transparency and comparability (Moron & Diokno, 2023; Stratopoulos, 2025). This nuance is particularly relevant from an investor perspective, as the perceived credibility of accounting information depends not only on outcomes but also on the robustness of underlying processes (Bushman & Smith, 2001). Thus, the results suggest that AI readiness operates as a necessary condition for AI-driven improvements in accounting information quality, reinforcing the view that technology adoption must be embedded within sound governance and reporting frameworks. From a sustainability standpoint, AI readiness also supports the integration of non-financial and ESG-related data into accounting systems. Recent literature highlights that AI analytics can enhance the measurement and verification of sustainability metrics, thereby improving the consistency and credibility of integrated disclosures (Di Vaio et al., 2023; Lombardi et al., 2024). This capability is increasingly important as investors demand transparent reporting on long-term environmental and social risks. Consequently, the findings suggest that AI readiness contributes not only to traditional financial information quality but also to the broader information environment required for sustainable value creation.

4.2. Integrated Reporting as a Mechanism for Transparency and Trust

The results further indicate that integrated reporting plays a critical role as a disclosure architecture, enhancing the interpretability and credibility of corporate information. Studies consistently show that high-quality integrated reporting improves disclosure connectivity by linking financial performance with strategy, governance, risk management, and sustainability outcomes (De Villiers et al., 2017; IIRC, 2021). This connectivity is particularly relevant in complex business environments, where investors must assess long-term value creation rather than short-term earnings alone. Empirical evidence synthesized in this review demonstrates that firms with higher integrated reporting quality tend to experience lower information asymmetry and more favorable capital market outcomes, including reduced cost of capital and improved firm valuation (Barth et al., 2017; Cheng et al., 2014; Vitolla et al., 2020). These outcomes are closely associated with investor trust, as integrated reports provide richer contextual information that enables stakeholders to understand managerial intentions and strategic direction better. The findings suggest that integrated reporting functions as a signaling mechanism, conveying organizational commitment to transparency and long-term sustainability (Healy & Palepu, 2001; Martinez-Ferrero et al., 2015).

At the same time, the literature cautions that integrated reporting can be ineffective or even counterproductive when adopted symbolically. Boilerplate narratives or selective disclosure practices may lead investors to perceive integrated reports as impression management tools rather than genuine transparency mechanisms (De Villiers et al., 2017). The results, therefore, emphasize the importance of integrated reporting quality rather than mere adoption. Quality dimensions such as materiality, completeness, consistency, and balance are critical in determining whether integrated reporting enhances accounting information quality and trust. Recent studies also suggest that integrated reporting increasingly relies on digital technologies, including AI, to manage large volumes of heterogeneous data across multiple capitals (Di Vaio et al., 2023). In this respect, the findings point to a complementary relationship between AI readiness and integrated reporting. AI-supported analytics can improve the accuracy and timeliness of both financial and non-financial disclosures, while integrated reporting frameworks provide governance discipline and narrative coherence for AI-generated information (Vitolla et al., 2020; Lombardi et al., 2024). This complementarity reinforces the argument that integrated reporting amplifies the positive effects of AI readiness on accounting information quality.

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4.3. Accounting Information Quality as a Mediating Construct Shaping Investor Trust

A central result of the literature synthesis is the mediating role of accounting information quality in linking AI readiness and integrated reporting to investor trust. Across diverse contexts, high-quality accounting information is consistently associated with reduced uncertainty, improved forecasting accuracy, and enhanced credibility of corporate disclosures (Francis et al., 2008; Biddle et al., 2009). These attributes are fundamental to the development of investor trust, which is conceptualized as confidence in the reliability and integrity of reported information (Mayer et al., 1995). The reviewed studies indicate that investor trust is not formed solely by the presence of advanced technologies or comprehensive reports, but by the perceived quality of the information conveyed. AI readiness and integrated reporting contribute to trust indirectly by improving the relevance, faithful representation, and understandability of information (Barth et al., 2017; Appelbaum et al., 2020). For instance, AI-driven analytics can enhance earnings predictability, while integrated reporting contextualizes those earnings within a long-term strategic narrative, jointly reducing information asymmetry (Bushman & Smith, 2001). Moreover, recent literature emphasizes that trust is particularly sensitive to transparency in sustainability reporting. Investors increasingly rely on accounting and integrated information to assess climate risk, social responsibility, and governance quality (Lombardi et al., 2024). High-quality accounting information that incorporates reliable ESG metrics strengthens investor confidence in firms' sustainability commitments, thereby extending trust beyond financial performance to long-term value creation (Di Vaio et al., 2023). This finding aligns with the growing integration of sustainability into mainstream accounting research. However, the results also suggest that deficiencies in information quality can weaken trust even in technologically advanced or reporting-intensive organizations. Algorithmic opacity, inconsistent narratives, or unverifiable sustainability metrics may erode investor confidence, underscoring the importance of assurance and governance mechanisms (Moron & Diokno, 2023; Stratopoulos, 2025). Consequently, accounting information quality emerges as a pivotal mediating construct that determines whether AI readiness and integrated reporting translate into positive investor perceptions.

4.4. Implications for Corporate Performance and Sustainable Value Creation

The final set of findings relates to the implications of investor trust and information quality for corporate performance. The literature consistently shows that firms with higher-quality accounting information and more substantial investor trust benefit from lower cost of capital, improved investment efficiency, and enhanced market valuation (Francis et al., 2008; Lambert et al., 2007). These benefits translate into superior corporate performance, as measured by both accounting- and market-based indicators (Biddle et al., 2009). Significantly, recent studies extend this relationship to sustainability-oriented performance. Trust-based investor relationships enable firms to access long-term capital and invest in sustainable initiatives without excessive short-term market pressure (Vitolla et al., 2020; Lombardi et al., 2024). AI readiness supports this process by enabling better measurement and monitoring of sustainability outcomes, while integrated reporting communicates these outcomes transparently to stakeholders (Di Vaio et al., 2023). As a result, corporate performance is increasingly understood as multidimensional, encompassing financial resilience, reputational capital, and long-term societal value.

The findings also suggest that the relationship between information quality, trust, and performance is dynamic rather than static. Continuous improvements in AI capability and reporting practices are necessary to maintain credibility in rapidly evolving markets. Firms that fail to adapt may experience trust erosion and declining performance, even if they previously benefited from strong disclosure practices (Healy & Palepu, 2001). This dynamic perspective reinforces the relevance of ongoing investment in AI readiness and reporting innovation as part of sustainable corporate strategy. The results and discussion support an integrated framework in which artificial intelligence readiness and integrated reporting enhance accounting information quality, thereby strengthening investor trust and supporting sustainable corporate performance. This

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framework aligns with contemporary accounting and sustainability research and provides a robust foundation for future empirical investigation.

V. Conclusion

This study has synthesized and interpreted the existing literature to examine how artificial intelligence readiness, integrated reporting, and accounting information quality jointly shape investor trust and corporate performance in contemporary, sustainability-oriented business environments. The findings indicate that artificial intelligence readiness and integrated reporting function as complementary upstream enablers that enhance the quality of accounting information by improving accuracy, transparency, and contextual coherence of corporate disclosures. Accounting information quality emerges as a pivotal mediating construct through which technological capability and reporting architecture influence investor perceptions and decision-making. By integrating insights from information economics, signaling theory, and trust-based perspectives, this study advances a theoretical framework that links digital readiness and reporting innovation to investor trust formation and long-term corporate performance. Theoretically, the study extends prior research that has examined these constructs in isolation by demonstrating their interdependence and positioning accounting information quality as the central transmission mechanism linking internal capabilities to external market outcomes in an increasingly data-driven, sustainability-focused reporting environment.

From a theoretical implication standpoint, this study reinforces and enriches accounting and disclosure theory by emphasizing that the benefits of artificial intelligence in financial reporting are conditional upon organizational readiness and governance quality. The findings suggest that artificial intelligence should be conceptualized not merely as a technological artifact but as an organizational capability embedded within broader reporting and accountability systems. Moreover, the study strengthens integrated reporting theory by highlighting its role as a credibility-enhancing disclosure architecture that structures and disciplines both financial and non-financial information, including AI-generated outputs. By incorporating sustainability considerations and long-term value creation into the analytical framework, the study also contributes to the evolving literature on sustainable accounting and corporate reporting, offering a more holistic understanding of how digital transformation and integrated disclosure jointly support trust-based relationships between firms and investors. In terms of managerial implications, the conclusions underscore the importance of corporate leaders adopting a strategic, integrated approach to digital transformation and reporting practices. Managers should prioritize building artificial intelligence readiness through investments in data infrastructure, team member competencies, and robust governance mechanisms to ensure that AI applications enhance, rather than obscure, accounting information quality. At the same time, integrated reporting should be implemented substantively, with a focus on materiality, connectivity, and consistency, rather than as a symbolic compliance exercise. By aligning AI-enabled accounting systems with high-quality integrated reporting frameworks, managers can strengthen investor trust, reduce information asymmetry, and support sustainable corporate performance. Ultimately, this study suggests that firms seeking long-term competitiveness and legitimacy in capital markets must view artificial intelligence readiness and integrated reporting as mutually reinforcing strategic tools that underpin transparent communication, responsible governance, and sustainable value creation.

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