THE EFFECT OF LIQUIDITY, PROFITABILITY, COMPANY SIZE, LEVERAGE AND AGE OF COMPANY LISTINGS ON THE COMPLETENESS OF INTERNET FINANCIAL REPORTING INFORMATION

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Abstract
Company as an entity has an obligation to conduct financial reporting, along with the rapid growth of information technology in recent years, manual financial reporting is no longer adequate. Companies that have been listed on the Indonesia Stock Exchange (IDX) are required to conduct financial reporting either manually (hardcopy) or electronically (softcopy) through the company's official website. Financial reporting through the company's website is also known as Internet Financial Reporting (IFR). Therefore, this study aims to test and analyze the factors that affect the completeness of the company's IFR information. This research was conducted quantitatively using independent variables namely liquidity, profitability, company size, leverage and company listing age, while the dependent variable of this research is Internet Financial Reporting. The type of data used is quantitative data in the form of financial statements on the IDX website and the website of each company. The method of data collection is documentation. The research object is a service sector company registered in the IDX in 2017-2019. Data analysis is performed with multiple linear regression analysis. The results showed that the size of the company has a positive effect on the completeness of IFR information. This means that the larger the size of the company, the company will present IFR with more adequate information on the company's website. The test results also proved that leverage negatively affects the completeness of IFR information. This indicates that the greater the leverage of the company, the company will present IFR with lower completeness of information on the company's website. The test results also showed that liquidity, profitability and listing life had no effect on the completeness of IFR information.

Keywords: Internet financial reporting; liquidity; profitability; company size; leverage and listing age

INTRODUCTION
The development of information technology in recent years has grown very quickly in various countries in the world. Advances in information technology bring many benefits in aspects of human life, and have been recognized as contributing greatly in simplifying and easing the workload borne (Dwiningrum, 2012). The internet has an important role as one of the joints in the development of information technology, the

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fundamental role of the internet has a good impact on streamlining daily human activities. Some characteristics of the internet such as being able to connect information and being able to communicate globally on a broad scale (interconnectivity with enormous scale), being able to interact and be accessed by various devices or service platforms and through different networks (heterogeneity) (Patel et al., 2016).

Internet users in the world are increasing from year to year, where in 2016 internet users in the world amounted to 3.37 billion users or equivalent to 46.4% of the total world population and in 2019 the number of internet users in the world amounted to 4.54 billion users or equivalent to 58.8% of the total world population (Stats, 2020). In Indonesia, internet users now number 150 million users, with a penetration rate of 56% while the number of mobile internet users is 142.8 million users with a penetration percentage of 53%, with the largest distribution of users in Sumatra and Java (Kominfo, 2019). Accessibility and the large number of internet users make the internet an attractive communication channel for companies to disseminate information for interested parties.

In general, a business activity or company is formed with the aim of obtaining profit (profit oriented). Companies with the aim of making a profit are the most common companies found in various business sectors, in carrying out their business activities there are two important parts of the company. According to Scott, (2015), the first party, namely the owner of the company (principal), employs the second party, namely company management (agent) to achieve company goals. Company management has the duty to carry out orders from company owners in order to achieve company goals in the hope of receiving rewards in the form of salaries or bonuses, while company owners have the right to give instructions or targets that company management wants to carry out but company owners also have the obligation to provide rewards commensurate with the obligations borne by management and its achievements.

The Company has the obligation to provide information through financial reporting containing both financial and non-financial data to stakeholders, especially for investors. The change in the presentation of company information from a paper-based reporting system to a paperless reporting system is commonplace, this is made possible by the development of the internet where companies can utilize internet media as a means of delivering financial statements or commonly referred to as Internet Financial Reporting (IFR). IFR is defined as a combination of ability and performance with internet media that can be applied interactively to communicate financial statements Oyelere et al., (2003) while according to Dewi, (2017) in simple terms IFR can be interpreted as a medium for disclosing company financial statements through internet facilities or specifically contained in the company's managed website.

Since 2012 regulations related to the implementation of IFR have been regulated in Indonesia by independent state institutions. Referring to the regulation issued by the Capital Market and Financial Institutions Supervisory Agency (BAPEPAM-LK) in Number Kep-431 / BL / 2012 concerning "Submission of Annual Report of Issuers or Public Companies", this regulation was then updated with the Financial Services Authority Regulation (POJK) Number 31 / POJK.04 / 2015 concerning "Disclosure of
Information or Material Facts by Issuers or Public Companies” in article 2 paragraph (1) instructing companies to announce material facts or information to the public and disclose this to the Financial Services Authority, article 4 paragraph (1) also instructs public companies listed on the stock exchange to make information announcements at least through the issuer's website, stock exchange website or daily newspaper circulated nationally and in Indonesian (Financial Services Authority, 2015). Other regulations are contained in POJK Number 7 / POJK.04 / 2018 concerning "Submission of Reports Through the Electronic Reporting System of Issuers or Public Companies" in article 2 paragraph (1) public companies are required to submit reports in the form of Electronic Reporting Systems (SPE) to OJK., in article 2 paragraph (3) also described reports that must be submitted, namely reports in accordance with the provisions of capital market legislation (Financial Services Authority, 2018). The existence of these regulations makes IFR an important part that is inseparable for public companies that have been listed on the stock exchange and have an obligation to disclose information disclosure both to interested parties and the wider community (Kumara, 2015).

Research conducted by Rahayu et al., (2020) suggests that companies that can survive and grow are companies that can take advantage of technological developments and apply them within the company. The rapid development of technology and the internet is one of the attractions for companies to report financial and non-financial information to the public, namely through IFR. Arfianda, (2017) revealed that IFR can be a medium of communication and provision of information for investors or interested parties who need information related to the company that can be used as investor consideration before making decisions. Providing balanced information to interested parties and company management is a must for a company to reduce the level of information asymmetry. Financial reporting through the internet or IFR is one of the instruments that companies can use to reduce information gaps.

Previous research by Arfianda, (2017) stated that the level of company size and profitability have a significant effect on IFR, while leverage and percentage of ownership by the public do not have a significant effect on IFR. Dewi, (2017) states that company size and leverage have a significant positive effect of 1 on IFR, while profitability has a significant negative effect on IFR and Liquidity does not have a significant 1 effect on IFR. Research conducted by Mahendri & Irwandi, (2017) revealed that liquidity, leverage profitability, auditor reputation and listing age do not have a significant effect on IFR, while company size has a significant effect on IFR. Previous studies that still have inconsistent results between one study and another, therefore this study will focus more on five factors that will be the subject of liquidity, profitability, company size, leverage, and listing age (Christ, 2017; Ginting, 2018; Mahendri & Irwandi, 2017).

The object of this study is a service sector company listed on the Indonesia Stock Exchange for the period 2017-2019. Considerations in choosing service sector companies because research related to IFR in this sector has not been carried out and the service sector in question is a service sector listed on the IDX because it has the obligation to
report information related to companies on the company's website which is also regulated in the Financial Services Authority Regulation, the selection of the 2017-2019 period is also relevant to IFR-related regulations that require public companies listed on the IDX to carry out disclosure of information through the company’s website that conforms to the definition of IFR.

RESEARCH METHOD

This study was conducted with the aim of testing and analyzing the effect of liquidity, profitability, company size, leverage and company listing age on the completeness of IFR information on service sector companies on the Indonesia Stock Exchange for the 2017-2019 period (Zuhroh, 2019).

This research data collection method is in the form of secondary data collection methods with documentation techniques. The data used in this study are the financial statements of service sector companies listed on the Indonesia Stock Exchange for the period 2017-2019 and have gone through an audit process.

The data analysis technique in this study uses multiple linear regression analysis with one dependent variable and more than one independent variable. When multiple linear regression analysis techniques are used, a classical assumption test consisting of a normality test, heteroscedasticity test, autocorrelation test and multicollinearity test is required which must be statistically met. In this study, descriptive statistical methods in SPSS (Statistical Product and Solutions) software version 23 were used to assist the data analysis technique.

RESULT AND DISCUSSION

Classical Assumption Test

1. Normality Test

The test was conducted using One Sample Kolmogorov-Smirnov Test with a significant level of 5% which can be seen in table 1

<table>
<thead>
<tr>
<th>Significance</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Data (n=283)</td>
<td>0.092</td>
</tr>
<tr>
<td></td>
<td>Normally distributed</td>
</tr>
</tbody>
</table>

Source: Data processed (2020)

The results of data processing in table 4.3. indicates that Sig ≥ 0.05, meaning that the data has been normally distributed because the significance level of 0.0092 has met the significance level ≥ 0.05.

2. Heteroscedasticity Test

Heteroscedasticity testing with glacier test can be observed in table 2

<table>
<thead>
<tr>
<th>Significance</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Data (n=283)</td>
<td>0.000</td>
</tr>
<tr>
<td></td>
<td>There are symptoms of heterokedasticity</td>
</tr>
</tbody>
</table>

Source: Data processed (2020)

The results of data processing in table 2 show that Sig < 0.05, while the data
requirements to pass the glejser heteroscedasticity test if Sig > 0.05, even though outliers and data transformation have been carried out, but the results of the significance level do not meet the Sig requirements > 0.05, it can be concluded if there are symptoms of heteroscedasticity.

3. Autocorrelation Test

Autocorrelation testing with Durbin-Watson (DW Test) can be observed in table 3

| Table 3 Durbin-Watson Autocorrelation Test |
| Du | DW | 4-DU | Information |
| 1.833 | 2.102 | 2.167 | No Autocorrelation Occurs |

Source: Data processed (2020)

The results of data processing in table 3. shows that the Durbin-Watson test requirement that DW is between dU and (4-DU) has been met, because dU 1.833 < DW 2.102 < 4-DU so it can be concluded that autocorrelation does not occur.

4. Multicollinearity Test

Multicollinearity testing by looking at tolerance values and Variance Inflation Factors (VIF) values can be observed in table 4

| Table 4 Multicollinearity Test |
| Independent Variables | Tolerance | VIF | Information |
| ROA | .850 | 1.177 |
| PROF | .909 | 1.100 |
| LEV | .843 | 1.186 |
| SIZE | .947 | 1.056 |
| LIST | .997 | 1.004 |

Source: Data processed (2020)

The results of data processing in table 4.6. show that the requirements for the multicollinearity test, namely a tolerance value of more than 0.10 and a Variance Inflation Factor (VIF) of less than 10, have been met so that it can be concluded that there is no multicollinearity.

Model Due Diligence

1. Test Coefficient of Determination (R2)

Testing the coefficient of determination by looking at the value of variation in the coefficient of determination can be observed in table 5

| Table 5 Coefficient of Determination Test |
| R | R Square | Adjusted R Square | Std. Error of the Estimate |
| .468a | .219 | .205 | .03706 |

Source: Data processed (2020)

The results of data processing in table 6. show that the adjusted R square value is 0.205, meaning that the dependent variables (LIK, PROF, SIZE, LEV, and LIST) have an influence on the dependent variable (IFR) by 20.5%, while 79.5% is explained https://injury.pusatpublikasi.id/index.php/in
by other factors outside the dependent variable in this study.

2. Statistical Test F

Statistical testing of F by looking at the comparison of F values obtained with significance levels at the level of $\alpha = 0.05$ can be observed in table 6.

**Table 6. Test F**

<table>
<thead>
<tr>
<th>F</th>
<th>Significance</th>
</tr>
</thead>
<tbody>
<tr>
<td>15.552</td>
<td>.000b</td>
</tr>
</tbody>
</table>

Source: Data processed (2020)

The results of data processing in table 4.8 shows that the significance level has a value below 0.05 which is 0.000 so that it can be concluded that the regression model used is said to be feasible based on the F test.

3. Test the hypothesis

The results of the hypothesis to see the significant influence of the independent variable on the dependent variable using the t test can be seen in table 7

**Table 7 Test t**

<table>
<thead>
<tr>
<th>Variable</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>Constant</td>
<td>-0.455</td>
<td>.042</td>
<td></td>
<td>-10.734</td>
</tr>
<tr>
<td>LIK</td>
<td>-0.00008</td>
<td>.000</td>
<td>-0.012</td>
<td>-2.02</td>
</tr>
<tr>
<td>PROF</td>
<td>-.008</td>
<td>.004</td>
<td>-0.109</td>
<td>-1.950</td>
</tr>
<tr>
<td>LEV</td>
<td>-.031</td>
<td>.010</td>
<td>-0.174</td>
<td>-3.016</td>
</tr>
<tr>
<td>SIZE</td>
<td>.013</td>
<td>.001</td>
<td>.459</td>
<td>8.411</td>
</tr>
<tr>
<td>LIST</td>
<td>0.00006</td>
<td>.000</td>
<td>.016</td>
<td>.297</td>
</tr>
</tbody>
</table>

Source: Data processed (2020)

Testing table 7 produces the following regression equation model:

$$IFR = -0.455 - 0.00008\text{LIK} - 0.008\text{PROF} - 0.031\text{LEV} + 0.013\text{SIZE} + 0.00006\text{LIST} + \epsilon$$

The regression equation can be explained as:

1. The constant (indicates a value of $\beta_0$) -0.455 which means IFR is -0.455 if LIK, PROF, LEV, SIZE and LIST are 0.
2. Regression coefficient (for LIK shows a value of -0.00008 $\beta_1$) which means if the LIK value increases by one unit then the IFR value will decrease by -0.00008
3. Regression coefficient (for PROF shows a value of -0.008 $\beta_2$) which means if the PROF value increases by one unit then the IFR value will decrease by -0.008
4. Regression coefficient (for SIZE shows a value of 0.013 $\beta_3$) which means if the SIZE value increases by one unit then the IFR value will increase by 0.013
5. Regression coefficient (for LEV shows a value of -0.031 $\beta_4$) which means if the value of LEV increases by one unit then the IFR value will decrease by -0.031
6. Regression coefficient (for LIST shows a value of 0.00006 $\beta_5$) which means if the LIST value increases by one unit then the IFR value will increase by 0.00006

The results of statistical testing $t$ in table 4.9 can be described as follows:

1. The liquidity variable (LIK) has no effect on IFR, this is indicated by the level of
significance which shows a value of 0.840 which is greater than 0.05 and a coefficient value of B of -0.00008. Therefore, it can be concluded that stating that LIK has a positive effect on IFR is rejected. H1

2. The profitability variable (PROF) has no effect on IFR, this is indicated by the level of significance which shows a value of 0.520 which is greater than 0.05 and a coefficient value B of -0.008. Therefore it can be concluded that the statement that PROF has a positive effect on IFR is rejected. H2

3. The variable company size (SIZE) has a positive effect on IFR, this is shown by the level of significance which shows a value of 0.000 which is smaller than 0.05 and a coefficient value of B of 0.013. Therefore it can be concluded that stating that SIZE has a positive effect on IFR is accepted. H3

4. Variable leverage (LEV) negatively affects IFR, this is indicated by the level of significance which shows a value of 0.003 which is smaller than 0.05 and a coefficient value B of -0.031. Therefore it can be concluded that the statement that LEV has a positive effect on IFR is rejected. H4

5. The listing age variable (LIST) has no effect on IFR, this is indicated by the level of significance which shows a value of 0.767 which is greater than 0.05 and a coefficient value of B of 0.00006. Therefore it can be concluded that the statement that LIST has a positive effect on IFR is rejected. H5

The Effect of Liquidity on the Completeness of Internet Financial Reporting Information

The results showed that liquidity did not affect the completeness of Internet Financial Reporting (IFR) information, this result was in line with previous studies that found that liquidity did not affect IFR (Christ, 2017; Mahendri & Irwandi, 2017; Putri & Setiawan, 2022). This research is different from the results of research conducted by Marwati, (2016) which states that liquidity has a positive effect on IFR.

This study illustrates conditions where high or low liquidity will actually not affect the completeness of IFR information. High liquidity does not necessarily indicate the company's ability to manage current assets and short-term credit policies have been carried out well, this can also indicate poor management performance because it shows idle cash balances, relatively excessive inventories, and bad credit policies resulting in high trade receivables so that the company's liquidity appears high (Dewi, 2017). Companies with low liquidity also do not show more effort in carrying out IFR practices with adequate information.

The level of company liquidity according to Mahendri & Irwandi, (2017) does not affect principal and public confidence in the agent's ability to fulfill the company's short-term obligations, so companies with low and high liquidity do not feel the need to carry out IFR with adequate information. The results in this study are also in accordance with agency theory where agents will not provide reduced or exaggerated information to the principal so that information asymmetry does not occur (Pratiwi et al., 2022). Therefore it can be concluded that liquidity has no effect on the completeness of IFR information.
The Effect of Profitability on the Completeness of Internet Financial Reporting Information

The results showed that profitability did not affect the completeness of IFR information, this result was in line with previous studies that found that profitability did not have a significant effect on IFR (Christ, 2017; Jao et al., 2019; Mahendri & Irwandi, 2017; Putri & Setiawan, 2022). This research is different from the results of research conducted by Arfianda, (2017) which states that profitability has a significant effect on IFR and research conducted by Budianto & Suyono, (2020) states profitability has a positive effect on IFR.

This research shows that profitability does not affect the completeness of a company's IFR information. High company profitability does not make company management try more in doing adequate IFR, this can be because high profitability can make the company more supervised by external parties and other considerations are that companies are reluctant to convey good company conditions due to company tax burden which can be a problem for the company if exposed (Mahendri & Irwandi, 2017).

Marwati, (2016) explained that agency theory seeks to prevent disparities of interest between principals and agents by disseminating relevant and transparent financial reporting, therefore companies with low and high profitability levels do not try to avoid their obligations in conducting financial reporting but also do not do more, so that in the end it can be concluded that profitability has no effect on the completeness of IFR information.

The Effect of Company Size on the Completeness of Internet Financial Reporting Information

The results showed that company size had a positive effect on the completeness of IFR information, this result was in line with previous research which found that company size had a significant positive effect on IFR (Putri & Setiawan, 2022) (Arfianda, 2017; Budianto & Suyono, 2020; Christ, 2017; Mahendri & Irwandi, 2017). This research is different from the results of research conducted by Jao et al., (2019) which states that company size has no effect on IFR.

Companies must have different agency costs, according to Oyelere et al., (2003) agency costs are the costs of disseminating financial statements, where these costs are related to the cost of printing and disseminating financial statements to interested parties intended by the company. Large companies have greater agency costs than small companies because large companies have more complex obligations in submitting complete and fast financial statements to shareholders and stakeholders as a form of corporate responsibility. Capital market supervisors tend to focus their attention on large companies compared to small companies, because large companies have a higher level of complexity, so the agency costs incurred in large companies will be much higher when compared to small companies.

As a result, large companies will have obligations or be demanded by interested
parties to report all company information completely (Diatmika & Yadnyana, 2017). One of the means that can be used by management in disseminating company information is IFR, because IFR is able to minimize the costs incurred by the company (agency costs) in meeting the information needs of various interested parties. Therefore, the larger the size of the company, the company will carry out IFR with adequate information.

**The Effect of Leverage on the Completeness of Internet Financial Reporting Information**

The results showed that leverage negatively affects the completeness of IFR information, this result is in line with previous research which found that leverage has a significant negative effect on IFR (Agustina, 2017). This research is different from the results of research conducted by Dewi,(2017) which states that leverage has a significant positive effect on IFR.

Companies with high leverage are considered unable to meet their obligations so that the sustainability (going concern) of the company is doubtful, of course this is not good news for the company if disclosed to investors. Research conducted by Mahendri & Irwandi, (2017) in revealed that companies with high leverage tend to do IFR with low completeness of information. The results of this study are in line with the agency theory expressed by Jensen and Meckling (1976) which explains that agents (managers) and principals (shareholders) have asymmetrical goals, where in conditions of high leverage company management will limit the information that can be obtained by external parties while investors will try to find as complete information as possible before making investment decisions. Therefore, it can be concluded that leverage negatively affects the completeness of IFR information.

**The Effect of Listing Age on the Completeness of Internet Financial Reporting Information**

The results showed that the age of the listing did not affect the completeness of IFR information, this result was in line with previous research which found that the age of listing did not have a significant effect on IFR (Mahendri & Irwandi, 2017). This study is different from the results of research conducted by Abdullah et al., (2017) which states that the age of listing has a significant positive effect on IFR.

This study shows that the completeness of IFR information on companies that have been listed for a long time and new listings has no difference. Some companies that have websites only expose information in the form of products or services offered by the company. This can happen because the company’s human resources determine the company’s ability to carry out IFR with adequate information. Companies that have been listed for a long time or have a new listing do not necessarily have human resources that are able to assist companies in conducting IFR with adequate information. Therefore, it can be concluded that the age of the company listing is not a guarantee that the company will have IFR with adequate information completeness.

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CONCLUSION

Based on the test results, the conclusion in this study is that the size of the company has a positive effect on the completeness of Internet Financial Reporting (IFR) information on service sector companies on the Indonesia Stock Exchange (IDX) for the 2017-2019 period. This means that the larger the size of the company, the company will present IFR with more adequate information on the company's website. The test results also prove that leverage negatively affects the completeness of IFR information on service sector companies on the IDX for the 2017-2019 period. This shows that the greater the company's leverage, the company will present IFR with lower completeness of information on the company's website.

The test results also show that liquidity, profitability and listing age do not affect the completeness of IFR information on service sector companies on the IDX for the 2017-2019 period. This shows that the amount of liquidity, profitability and listing age do not affect the completeness of IFR information presented on the company's website.

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