




Analysis of influencing factors voluntary disclosure in sector companies various industries listed on the Indonesian stock exchange 2006-2008 period

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Article Info	ABSTRACT
<p>Article history:</p> <p>Received Jun 9, 2022 Revised Jun. 20, 2022 Accepted Jun 30, 2022</p> <hr/> <p>Keywords:</p> <p>Annual Reports; firm size; leverage; Percentage of public share and age of companies; Profitability; Voluntary Disclosure.</p>	<p>This research has a purpose to find out the factors which can affect the voluntary disclosure in the annual report. The factors examined in this research are firm size, leverage, profitability, percentage of public share and age of companies. The samples consist of 18 miscellaneous industries from 2006 through 2008 and are still listed on IDX. The object of this research was the firm's annual report during the 2006-2008 period and the data analysis was treated as panel data. The statistical method used to test on the research hypothesis is multiple regression. The result shows the factors that affect significantly the voluntary disclosure are leverage, profitability and age of companies. The other factors like firm size and percentage of public share have no significant relation. However, the other results of this research show that firm size, leverage, profitability, percentage of public share and age of companies simultaneously had a significant effect on voluntary disclosure.</p> <p style="text-align: right;"><i>This is an open access article under the CC BY-NC license.</i></p> 
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1. INTRODUCTION

The changing conditions of the economic environment have had an impact on the world of business and investors. This economic condition is reflected in economic variables, namely inflation, exchange rates, unemployment and GDP (gross domestic product). If the inflation rate, exchange rate and unemployment are high, it will result in a decrease in the company's financial capability, conversely if the inflation rate, exchange rate and unemployment decrease, it will have an impact on the company's ability to earn profits. The company's financial condition will affect investors in making investment decisions. Investors are required to be careful in analyzing the company's financial condition before investing. For this purpose, investors can use financial reports that have been audited and submitted to the Capital Market Supervisory Agency.

The financial statements referred to in the Statement of Financial Accounting Standards (PSAK) are general purpose financial statements aimed at meeting the common needs of the majority of users of financial statements, an annual report is a document issued annually by a company that contains reports audited by a public accountant, and additional information about other companies for 1 year. The annual report is considered as a liaison between company management and external parties such as shareholders, creditors, government and society. The parties mentioned above will rely on annual reports as the main source of information.

Information disclosed by company management in annual reports can be grouped into two, namely mandatory disclosure by Accounting Standards and Bapepam and disclosure of information that is not required (voluntary disclosure). Management makes voluntary disclosures in the hope of increasing the confidence of investors and potential investors, creditors and the public. Management's voluntarism in disclosing additional information that is not required will signal to users of financial statements that management is serious about disclosing the true condition of the company.

The factors that influence voluntary disclosure based on literature or theory are: a). Company size (Size), In general, large companies disclose more information than small companies, regarding the effect of company size on the extent of disclosure such as production cost information, more diverse products, operating in various regions, more professional employees, and more shareholders. share. b). Leverage (Lvrng), the leverage ratio measures the extent to which a company's financial needs are financed with borrowed funds (Jumingan, 2008). This variable is a type of ratio data. c). Profitability (Profit), Profitability ratio is a ratio that measures a company's ability to generate profit (profitability) at the level of sales, assets, and capital. d). Percentage of public shares (Portion),

Research on the level of voluntary disclosure in Indonesia was conducted by several researchers, Amalia (2005) examined the annual reports of 90 manufacturing issuers in 1998, the results showed that the average level of voluntary disclosure was 14.6% to 15.6% of 82 items, Rahayu (2007) examined public companies in Indonesia in 2003 with a sample of 41 issuers and found that the average level of mandatory disclosure was 74.97% and the average voluntary disclosure was 47.16% of 49 items. Adriany (2009) examined the annual reports of 30 property and real estate issuers in 2007 and found that the voluntary disclosure of annual reports can be explained by the variables size, leverage, profitability, portion of public shares and company age with a percentage of 36.4% while the remaining 63.6 % is explained by other variables.

The results of these studies are quite varied because the basis of reference used to measure the level of disclosure is not the same and also the objects of research are different, but the results show that the practice of mandatory disclosure is relatively widely adhered to by issuers, on the other hand, the willingness of issuers to provide voluntary disclosure is still relatively low because voluntary disclosure company policy is the policy of the listed company itself to be disclosed to the public.

2. RESEARCH METHOD

Research sample, the object of this research is non-financial sector companies, namely various industries listed on the IDX for the year 2006-2008. The number of companies studied in the consumer goods industry were 18 companies for 3 years so that the final sample was 54 observations. The sample selection used a purposive judgment sampling method, namely the type of random selection whose information was obtained using certain considerations so that the final sample was 54 samples. the sample considerations used are: 1). The various industrial sectors listed on the IDX during 2006 to 2008, 2). Published a complete annual report during 2006-2008, 3). Have complete data related to the variables used in the study, 4).

Data Collection Techniques. Data sources used in this study are secondary data in the form of books, journals, profit and loss reports, cash flow reports and company balance sheets for a period of 3 years from 2006 to 2008 which were registered at IDX. The data collected comes from observations at the Capital Market Reference Center (PRPM) at the Indonesia Stock Exchange, BAPEPAM, Trisakti University Faculty of Economics Library, and University of Indonesia Faculty of Economics Library. Based on the time of collection, this research uses data pooling because the companies studied are more than one and the company period is more than one year. The data used are data derived from the financial statements of each company per item.

Research Variables and Their Measurements Variables are anything that becomes the object of observation in research which is a concept that has a variable value that can be defined through

the framework that has been carried out. There are 2 variables used in this study, namely: 1). The dependent variable, the dependent variable in this study is voluntary disclosure (ps) 2). independent variable.

Model and Research Hypothesis, In this study using multiple regression to test the independent variables on the variation of the dependent variable. The regression equation used is:

$$PS = \alpha_0 + \beta_1 \text{ SIZE} + \beta_2 \text{ LVRG} + \beta_3 \text{ PROFIT} + \beta_4 \text{ PORTION} + \beta_5 \text{ AGE} + \rho \text{ Variable}$$

The independent variables are company size (size), leverage (lvr), profitability (profit), percentage of public shares (portion) and company age (age).

In this case :

PS	=	Voluntary Disclosure Score Index
SIZE	=	Ln Total Assets
LVRG	=	Leverage Ratio (Total Debt/Assets)
PROFIT	=	Profitability Ratio (EAT/Sales)
PORTION	=	Number Of Public Shares/Total Shares
AGE	=	The difference between the year of publication and the year
ρ	=	first issue error
$\beta_1, \beta_2, \beta_3, \beta_4, \beta_5$	=	Regression coefficient

Data Analysis Methods, 1). Hypothesis Testing Methods. The tests carried out in this study were statistical tests which were carried out to determine the decision to accept or reject the proposed hypothesis. The characteristics of the sample mainly include the mean, standard error of the mean, extreme values, namely the maximum and minimum values, and the standard deviation. Statistical testing is a test of significance (t test and F test), as well as a test of goodness of fit (R^2 test). The significance test comes from a statistical test of the sample distribution of a statistic under the null hypothesis. The F statistical test basically shows whether all the independent variables included in the model have a joint effect on the dependent variable. 2). Classic assumption test, Testing the multiple regression model in testing the independent variables used to predict the dependent variable must avoid possible deviations from classical assumptions. 3). Normality test, the normality test aims to test whether in the regression model, the confounding or residual variables have a normal distribution. There are two ways to detect whether the residuals are normally distributed or not, namely by graphical analysis and statistical tests. A more reliable method is to look at the normal probability plot. 4). Multicollinearity test, multicollinearity test aims to test whether the regression model found a correlation between independent variables. A good regression model should not have a correlation between the independent variables. To detect the presence or absence of multicollinearity in the regression model, it can be seen from the tolerance value and Variance Inflation Factor (VIF). 5). Heteroscedasticity Test, Heteroscedasticity Test aims to test whether there is an unequal variance from the residual one observation to another observation. 6). Autocorrelation test, aims to test whether in the linear regression model there is a correlation between the confounding errors in period t and the confounding errors in the t-1 (previous) period. A good regression model is a regression that is free from autocorrelation. The way that can be used to detect the presence or absence of autocorrelation is the Durbin Watson test. The heteroscedasticity test aims to test whether there is an unequal variance from the residuals of one observation to another. 6). Autocorrelation test, aims to test whether in the linear regression model there is a correlation between the confounding errors in period t and the confounding errors in the t-1 (previous) period. A good regression model is a regression that is free from autocorrelation. The way that can be used to detect the presence or absence of autocorrelation is the Durbin Watson test. The heteroscedasticity test aims to test whether there is an unequal variance from the residuals of one observation to another. 6). Autocorrelation test, aims to test whether in the linear regression model there is a correlation between the confounding errors in period t and the confounding errors in the t-

1 (previous) period. A good regression model is a regression that is free from autocorrelation. The way that can be used to detect the presence or absence of autocorrelation is the Durbin Watson test.

Table .1 Autocorrelation Test Results

Null hypothesis	Decision	If
There is no positive autocorrelation	Reject	$0 < d < d.l$
There is no positive autocorrelation	No decision	$Dl \leq d \leq du$
There is no negative correlation	Reject	$4 - dl < d < 4$
There is no negative correlation	No decision	$4 - du \leq d \leq 4 - dl$
There is no autocorrelation, positive or negative	Not denied	$du < d < 4 - du$

3. RESULTS AND DISCUSSIONS (10 PT)

General Description of the Research Object,

1General description of research object.

Based on data obtained from the IDX, it is known that the number of various industrial companies listed on the Indonesia Stock Exchange until 2008 was 44 companies. Of the 44 companies, there are 26 companies that do not have a complete annual report (annual report). In this case the authors took a sample of various industrial companies in the period 2006-2008 by using fundamental analysis considerations compared to technical analysis (technical analysis). Fundamental analysis consists of examining macroeconomic indicators, considering market and political assets and using company financial reports to analyze company conditions. Meanwhile, technical analysis is the use of measures to attempt to predict the company's stock price movements in the future based on past time analysis and reading or understanding graphic depictions. Fundamental analysis is more effective in terms of predicting the direction of movement for the long term (more than one year).

Table.2 Selection of Research Samples

Description of the Characteristics of the Research Sample	Number of Companies
Various industrial companies listed on the IDX until 2008	44
Companies in various industries that do not have complete annual report data during the 2006-2008 period	26
Various industrial companies that meet the criteria to be the research sample	18

Source: Processed data

Following are the names of sample companies in various industrial sectors for the 2006-2008 period:

Table.3 Sample Companies

No.	Company name
1	Polychem Indonesia (ADMG)
2	Astra International (ASII)
3	Astra Otoparts (AUTO)
4	Indo Kordsa (BRAM)
5	Goodyear indonesia (GDYR)
6	Single Elephant (GJTL)
7	Panasia Indosyntec (HDTX)
8	Sumi Indo Cable (IKBI)
9	Indorama Synthetic (INDR)
10	Jembo cable (JECC)
11	Karwell Indo. (KARW)
12	Kabelindo Murni (KBLM)
13	Multisrada Facility Direction (MASA)
14	Sucaco (SCCO)
15	Happy Perfect (SMSM)
16	Sugi Samapersada (SUGI)
17	Tifico (TFCO)
18	Voxel Electric (VOKS)

Source: processed data

Descriptive statistics,

Descriptive statistics are methods related to collecting, summarizing, presenting data in a more informative form. Descriptive statistics are used to describe the characteristics of the data in a study. Below is a descriptive statistic of the variables used:

Table. 4 Descriptive Statistics

N	Minimum	Maximum	Means	std. Deviation	
SIZE	54	20,39	32.75	27.8905	2.63032
LVRG	54	, 11	1.54	,6049	,29141
PROFIT	54	-,27	,30	,0099	,08724
PORTION	54	,00	,62	,2028	,16779
AGE	54	-1.00	28.00	14,0000	7.04166
PS	54	,23	,92	,6254	, 19939
Valid N (listwise)	54				

Source: data processed by SPSS

Based on table 4 above, it can be seen that the average value of voluntary disclosure (PS) as measured by the voluntary disclosure index of companies in various industries for the 2006-2008 period was 0.6254 with a standard deviation of 0.19939. The lowest value of the index is 0.23 which means that there are 3 disclosures out of 13 items of voluntary disclosure. The highest value of the index is 0.92 or 12 disclosures of 13 items of voluntary disclosure.

Results of analysis and discussion

Classic assumption test

a. Normality test

The normality test aims to test whether in the regression model, the dependent variable and independent variable both have a normal distribution or not. The Normality Test is carried out by means of the Normal PP Plot Graph analysis. The PP plot test assumes that the dependent variable and the independent variable both have normal data or not.

b. Multicollinearity Test

Multicollinearity shows that the independent variables have a very strong direct relationship (correlation). Multicollinearity occurs if the Variance Inflation Factor (VIF) value is greater than 10 or the Tolerance value is less than 0.10. Ho : no multicollinearity, Ha : there is multicollinearity Decision-making : If $VIF < 10$, then Ho cannot be rejected (no multicollinearity) If $VIF > 10$, then Ho is rejected (there is multicollinearity)

Table.4 Multicollinearity Testing

Variable	VIF	Conclusion
SIZE	1,489	No Multicollinearity
LVRG	2,220	No Multicollinearity
PROFIT	1,876	No Multicollinearity
PORTION	1,300	No Multicollinearity
AGE	1,915	No Multicollinearity

Source: data processed by SPSS

Heteroscedasticity Test

This study uses the Glesjer test to test whether there is heteroscedasticity. Glesjer proposed to regress the residual absolute value for each independent variable. If the independent variable statistically significantly affects the dependent variable, then there is an indication of heteroscedasticity. Heteroscedasticity Hypothesis: Ho : no Heteroscedasticity, Ha : there is Heteroscedasticity, Basis for Decision Making : If probability > 0.05 , Ho cannot be rejected with homogeneous error variance (no heteroscedasticity). If probability < 0.05 , Ho is rejected with heterogeneous error variance (there is heteroscedasticity).

Table.5 Heteroscedasticity Testing

Variable	Sig.	Conclusion
SIZE	0.826	There is no heteroscedasticity
LVRG	0.549	There is no heteroscedasticity
PROFIT	0.514	There is no heteroscedasticity
PORTION	0.273	There is no heteroscedasticity
AGE	0.692	There is no heteroscedasticity

T Test Effect of Leverage on Voluntary Disclosure of Annual Reports of Property and Real Estate Companies Listed on the IDX. Ho₂ : There is no effect between LVRG and PS, Ha₂ : There is an influence between LVRG and PS. From the results of data processing t test table 4.9, the effect of the leverage variable on voluntary disclosure of annual reports of various industrial companies listed on the IDX is obtained, the regression coefficient of the leverage variable is -0.283 indicating negative, which means that each additional one leverage will reduce voluntary disclosure. of 0.283 units with a significance value of 0.014 less than 0.05 indicating being in the Ho₂ rejection area or Ha₂ cannot be rejected.

T-test of the Effect of Profitability on Voluntary Disclosure of Annual Reports of Multi-Industry Companies Listed on the IDX. Ho₃ : There is no effect between PROFIT on PS. Ha₃ : There is an influence between PROFIT on PS.

From the results of processing the t-test data table 4.9 the effect of profitability on voluntary disclosure of annual reports of various industrial companies listed on the IDX obtained a coefficient value of 0.952 indicating positive, which means that each additional one profit will increase voluntary disclosure by 0.952 units with a significance value of 0.007 more smaller than 0.05 indicates being in the area where Ha₃ cannot be rejected or Ho₃ is rejected.

T Test The Effect of Percentage of Public Shares on Voluntary Disclosure of Annual Reports of Various Industries Listed on the IDX. Ho₄ : There is no effect between the PORTION on, PS. Ha₄ : There is an influence between PORTION on PS.

From the results of processing the t test data in table 4.9, the effect of the percentage of public shares (PORSI) on the voluntary disclosure of various industrial companies listed on the IDX obtained a coefficient value of 0.130 indicating positive, which means that every additional one portion of public shares will increase voluntary disclosure by 0.130 units with a significance value of 0.380 greater than 0.05 indicates being in the Ha₄ or Ho₄ rejection area cannot be rejected. T Test The Effect of Company Age on Voluntary Disclosure of Annual Reports of Various Industry Companies Listed on the IDX. Ho₅ : There is no effect between AGE on PS., Ha₅ : There is an influence between AGE on PS.

From the results of processing the t-test data in table 4.9, the effect of the company age variable on the voluntary disclosure of annual reports of various industrial companies listed on the IDX obtained a coefficient value of 0.010 indicating positive, which means that for every addition of one company age, there will be an additional voluntary disclosure of 0.002 units with a significance value of 0.025 indicating being in the area of Ha₅ cannot be rejected or Ho₅ is rejected.

4. CONCLUSION

Based on data analysis and discussion on 18 sample companies selected from various industrial companies listed on the Indonesia Stock Exchange for the period 2006-2008, the following conclusions can be drawn: 1). Factors of size, leverage, profitability, percentage of public shares and company age simultaneously influence the voluntary disclosure of various industrial companies listed on the Indonesia Stock Exchange (IDX). 2). The size factor has no significant effect on the voluntary disclosure of annual reports of various industrial companies listed on the Indonesia Stock Exchange (IDX). 3). The leverage factor has a significant effect on the voluntary disclosure of annual reports of various industrial companies listed on the Indonesia Stock Exchange (IDX). 4). The profitability factor influences the voluntary disclosure of annual reports of various industrial companies listed on the Indonesia Stock Exchange (IDX). 5). The factor of the percentage of public shares has no significant effect on the voluntary disclosure of annual reports of various industrial

companies listed on the Indonesia Stock Exchange (IDX). 6). The age factor of the company has a significant effect on the voluntary disclosure of annual reports of various industrial companies listed on the Indonesia Stock Exchange (IDX).

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