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The company's internal characteristics and mandatory disclosure size of web-based financial reporting

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A B S T R A C T

The new regulation on the Indonesian Capital Market (XK6-Bapepam-LK No. KEP-431/BL/ 2012), related to the disclosure of financial information on the company's website is the main motivation of this study, which is to analyze the extent to which issuers responded to the new regulation. The study was conducted on 50 companies included in the list of 50 companies with the highest score of corporate governance version IICD in 2013 - 2014 and 57 companies in the same industry as a control companies, with the total number of samples is 107 companies. The study was conducted by analyzing the factors (size, listing period, industry, the quality of corporate governance) that affect the level of disclosure by the company on their website. The results showed that not all sample companies do a full disclosure and the average disclosure is only 77%. Further, the factor of disclosure size was also influenced by the company's internal characteristics such as company size, type of industry and good corporate governance.

A B S T R A K

Adanya kebijakan baru keputusan X.K.6 dan lampiran Keputusan Ketua Bapepam-LK Nomor Kep-431/BL/2012, terkait pengungkapan informasi keuangan pada situs perusahaan merupakan motivasi utama penelitian ini untuk menganalisis sejauh mana respon dari emiten terhadap keputusan tersebut. Studi dilakukan terhadap 50 perusahaan yang termasuk dalam daftar 50 emiten dengan skor corporate governance tertinggi versi IICD tahun 2013 – 2014. Kemudian, ditambahkan dengan perusahaan yang tidak termasuk dalam penerima award namun ada pada industri yang sama dengan perusahaan penerima award, hasil penelusuran didapat sebanyak 57 perusahaan kontrol dengan demikian jumlah sampel menjadi 107 perusahaan. Analisis dilakukan untuk mengetahui apakah faktor-faktor seperti ukuran perusahaan, lama listing, jenis industri dan juga kualitas dari tatakelola perusahaan berpengaruh terhadap luas pengungkapan yang dilakukan perusahaan pada web mereka. Hasil analisis menunjukkan bahwa belum semua sample perusahaan melakukan pengungkapan secara penuh dan rata-rata pengungkapan baru mencapai 77%. Selanjutnya bahwa faktor luas pengungkapan juga dipengaruhi oleh karaktersitik internal perusahaan seperti ukuran perusahaan, jenis industri dan tatakelola perusahaan yang baik.

1. INTRODUCTION

The development of Internet technology today has been used by various groups with different purposes, including for business purposes. Its development has also led to a new form of corporate financial reporting, as referred to an Internet Financial Reporting or IFR. Particularly, in developing countries such as Indonesia, where a new internet technology has developed in the last few decades.

As it implies, an IFR Financial reporting utilizes Internet media as an intermediary between the company and stakeholders. IFR potential is comparatively quite big because the Internet can facilitate feasibly as a function of the capital market by supporting the company's ability to provide

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up-to-date and timely information (Abdelsalam & Street 2007). The accuracy of report submission is vital for the shareholders and others and this is also important for decision-making, especially for investment activities. Through the medium of the Internet information as well as through traditional means about the company's performance, this information can be reached by all global investors, (Ashbaugh, Johnstone & Warfield 1999).

Although there are some benefits from the use of the Internet, e.g., for the delivery of enterprise information and they also realize that they need to get access the information, not all companies voluntarily disclose the financial condition of companies through their corporate site. It can be seen from the results of research in Indonesia about the low level of disclosure of IFR and still a small number of companies doing voluntary disclosures.

Almilia's research (2008), for example, showed that out of 343 companies listed in the Indonesia Stock Exchange, only 211 companies have corporate sites, and even not all the sites are active and accessible. Similarly, the search by Puspitaningrum & Atmini (2012), showed that 420 companies listed only 95 companies (other than the financial industry) have complete disclosure criteria. Similarly, the research Prasetya and governor (2012) with 146 manufacturing companies in listed in Indonesia Stock Exchange (ISE), there are only 71 companies have qualified IFR disclosure.

The above evidence indicates a limited awareness of listed companies on the Stock Exchange for presenting full information through their company website. This statement is supported by the research on the disclosure of IFR in Indonesia, showing that most companies only have a disclosure on items such as standard course, the financial information regarding the appropriate accounting standards or regulations on information disclosure and financial reports on Indonesia issued by the chairman of Bapepam No. Kep 40/PM/2003 (Wardhanie 2012). However, Pertiwi & Hermana (2013) found that the disclosure made by the banking industries is higher than that made by the non-bank industries.

There are some factors that affect the level of disclosure in IFR and these have also been investigated, such as company size, type of industry, a long listing, the company's performance, and mechanisms of governance (corporate governance). Yet, these factors do not provide conclusion among the researchers. Therefore, a research on the practice of IFR by the companies in Indonesia can be a concern that has attracted the researchers, especially since the year 2012. The government has issued a new decree on the disclosure of financial reporting of companies that are required for the Issuer of Indonesia Stock Exchange.

The regulation above can invite a different response from companies. The fact is that the condition is still with the low disclosure as based on the results of previous studies in Indonesia. For that reason, it is essential to study to what extent the company's response is related to their obligation to disclose financial information on their company website. The regulation was issued to improve the quality of information disclosure in the annual report of the Issuer and public companies as a source of important information for shareholders and the public in making investment decisions.

It is expected to provide a new dynamics for the Company in Indonesia, especially those that make a listing on the Indonesia Stock Exchange. By presenting the information that is accurate, relevant and comprehensive, the companies can support the investors with information for making decisions for a safe investment.

In addition, this study analyzes how the characteristics of the company affect the mandatory IFR disclosure. The company's characteristics is the same as the previous studies, namely the internal characteristics such as company size, industry type, length, and the condition of corporate governance of listing companies.

The reason for getting disclosed is to get a corporate governance, especially for a financial reporting. Corporate governance can control the disclosure of financial reporting on the Internet related to the report format and content or the content of those statements (Kelton & Yang 2008). Good Corporate Governance can provide certainty to investors in assessing their investment prospects. Better corporate governance affects the quality of the reports revealed. Thus, shareholder rights to access more information the better. Besides the importance of corporate governance in the IFR disclosures, the companies must also be visible also from the assessment by the Indonesian Institute for Corporate Directorship (IICD) on the practice of Good Corporate Governance by the Issuer in the Indonesia Stock Exchange.

This study differs from the previous studies, from those that have been done in Indonesia in terms of mandatory disclosure because a prior condition IFR disclosure is voluntary. In addition to measuring the quality of corporate governance, this study did not use a corporate governance mechanism but it used a GCG assessment done by IICD. The results of the IICD assessment is in the form of awarding the 50 companies with the highest corporate governance assessment scores in 2014.

The objective of this study is to analyze the response and factors that affect the disclosure of financial reporting by a public companies in Indonesia after the issuance of regulations X.K.6 and annex the Chairman of Bapepam No. Kep-431/BL/2012. With this new regulation, it enforces to prepare the annual report for the fiscal year ending on or after December 31 2012. This study also assesses the company's annual report for the financial year 2013, which was reported in 2014.

2. THEORETICAL FRAMEWORK AND HYPOTHESES

The company's decision to disclose information to the public can be explained by the agency theory and signaling theory. The relationship between the principal and management can lead to information asymmetry. However, with a good management, the manager would avoid transmitting the information would adversely affect certain parties, so that the delivery of information must be presented carefully in order to be used properly by the users of the information. As the management company will endeavor to provide the broadest possible information in order to avoid conflicts of interest between the principal and management. While the delivery of information management can provide a signal to various parties about the efficiency of the efforts made thus will increase investor confidence in the company.

Liabilities Reporting Issuers to Perform on Company Website

In line with the development of internet and business environment, disclosure of Internet-based companies are becoming increasingly necessary because of the need for access to company information by the various parties timely and accurate. The importance of access to appropriate information is also felt on the investment climate in Indonesia. Therefore, the regulator has expressed his attitude through Bapepam (since December 31, 2012 transformed into the Financial Services Authority) as an institution that regulates and supervise the capital markets, with the issuance of regulations by number XK6 and annex the Chairman of Bapepam No. Kep-431/BL/2012 Submission of Annual Report Issuers or Public Companies.

Capital Market Supervisory Agency with Financial Reporting (Bapepam-LK) is an agency under the Ministry of Finance Indonesia, which is the authority for the entire institution Financial Institution or a Company making listing on the Indonesian Capital Market or do not. Bapepam-LK tasked to develop, manage, and supervise the daily activities of the capital market and formulate and implement policies and technical standardization in the field of financial institutions.

It is a priority and the emphasis of this rule is the obligation that posts an annual report on the website of each company can be accessed at any time complete with more detailed information related company information such as company profile, the Board of Commissioners, Directors, Audit Committee, secretary of the company, and internal audit; affiliate relationship between the members of the Board of Commissioners, Directors, and shareholders; system of internal control and risk management.

Previous Studies on IFR

Empirically, the study of the potential of Internet-based-financial reporting disclosure, has been done, since in recent years, with many variables and outcomes. However, in general, the studies were on the condition of voluntary disclosures. In addition, the study has extensive disclosures of IFR with the comparisons between companies. Results of previous studies show that there are differences in disclosures between companies in different countries (Pervan 2006; Chatterjee & Hawkes 2008), or in one country (Aziz, Ariffin & Mohamed 2009; Türel 2010; Davey & Homkajohn 2004), where all the results indicate that the IFR disclosure by companies, especially also in Indonesia, is still low. In addition, there are differences in expectations by the IFR users with the information provided by the company on their company website. They do not have some conclusions about the determinants of the extent of IFR disclosures, because the previous studies provided results that vary between firm size, type of industry, old listings, and profitability factors.

Based on the expectations regarding the information that must be provided, the results of previous studies produces several conclusions that are important to users. Then, that need to be disclosed is the analysis report, a phone number associated investor, per segment report, financial data ready to be processed, and the summary of financial reporting is not available on the company website (Türel 2010). The research with the same results, also applies to companies in Indonesia, in which many companies in Indonesia, have not fully disclosed the information required by the users who need the information. Furthermore, the results of previous studies in Indonesia, showed a difference of disclosure across different industries (Pertiwi & Hermana 2013). In addition, they concluded several factors that affect IFR disclosures by the company in Indonesia, which is a measure of the company, Return on assets and majority Ownership (Almilia 2008), company size, profitability, liquidity, leverage, and the age of the listing (Prasetya & governor 2012).

The results of empirical studies, such as in Croatia, show the factors that affect disclosure of IFR, such as company size, profitability, number of shareholders and traffic shares on the stock market, but for the company of Slovenia, that influential factors are such as start a listing, the proportion of the market, and the ratio between the market value to the book (Pervan 2006). Company size and industry sector are the factors that affect the broad disclosure for companies in Nigeria (Umoren & Asogwa, 213).

Based on the above results it can be seen that the factors affecting disclosure are the size of the company and the old listing on the stock exchange.

Company size and area of Internet-Based Financial Reporting Disclosure

The company size is one of the internal characteristics of the company that affects IFR disclosures (Lestari & Chariri 2007; Prasetya and the governor 2012; Pubandani & Restuti 2013; Umoren & Asogwa 2013; Sharma 2013; Aziz, Ariffin & Mohamed 2009; Türel 2010; Almilia 2008; Chatterjee & Hawkes 2008; Pervan 2006; Ponte & Rodríguez 2002; Hanifa and Rashid 2005; Uyar 2011). It means that the larger the company, the greater the company's obligation to report to stakeholders. This is possible because the larger the company, the more stakeholders who invest their wealth. Thus, this will lead to more extensive information to be conveyed to stakeholders. In addition, companies that are in larger size, based on the theory of the Agency, will need at least a larger external funding. Consequently, they must disclose the volume of the higher voluntary information to investors. Furthermore, large companies suffer due to a conflict of interest between shareholders, debt holders, and managers. Therefore, companies are obliged to make disclosures as possible to provide adequate information to their stakeholders. Thus, the first research hypothesis is formulated as follows:

H1: The size of IFR disclosure will be different among the different company sizes.

The Period of listing in the Indonesia Stock Exchange and Disclosure Size of Internet-Financial Reporting

The results of the study by Pervan (2006) and Lestari & Chariri (2007), support the relationship between the old listing and extensive disclosures of the companies' IFR. This can be explained, that the company which has been listed long enough in the stock exchange, of course, they have longer experience than other companies that have just done listings. With this experience, the company is expected to be more flexible with the information needed by the investors and is also to the regulations set forth by the Board of Supervisors. Similarly, that the longer a company is listed on the stock exchange, the more obligations they have to disclose to public. Thus, the second research hypothesis is formulated as follows:

H2: IFR disclosure differ widely between companies with different period of listing in Indonesian Stock Exchange

Types of Industrial and the Size of Internet-Financial Reporting Disclosure

The company can be distinguished based on the types of industry because each industry has different complexity. Thus, they have to use different technologies differently for each type of industry. The manufacturing industries and the banks, for example, if they are running a business process, they are highly dependent on the use of high technology, given the environment was rapidly changing, so they must be doing continuous innovation.

The type of industry has become one of the variables that are often used to describe the quantity of information provided by the company. Companies that are doing activities in the same industrial environments, have the same level of business complexity. Thus, they will use the same instructions for the information that needs to be disclosed. As the results of previous studies, (Oyelere, Laswad & Fisher 2003; Brennan and Hourigan 1999; Aly & Hussainey 2010; Umoren & Asogwa 2013; (Ponte & Rodríguez 2002) shows the influence of the type of industry wide disclosure.

Additionally, different industries with differ-

ent complexity, will use different technologies. Industries with high use of technology are more likely to use internet facilities in presenting their financial information. Nevertheless, the results of the previous studies showed a significant effect on disclosure (Marston and Polei 2004; Lestari & Chariri 2007; Uyar 2011; Wardhanie 2012). Based on the description and the results of previous research, the research third hypothesis is formulated as follows:
H3: There is a big difference between the disclosures of companies in different industries.

Corporate Governance and the Size of Internet Financial Reporting Disclosure
IFR disclosure activity by the company is part of the practice of the company's Good Corporate Governance. The general guidelines issued by the National Committee on Governance Indonesia in 2006 focused on the issue of Transparency useful to maintain objectivity in running the business. Companies should provide material and relevant information in a way that is easily accessible and understood by stakeholders. In line with the principle of openness, the OECD (Organization for Economic Cooperation and Development) also incorporates the elements of disclosure and transparency as one of the points that are important in the assessment of the merits of the application of corporate governance in a company.

Corporate governance facilitates monitoring of the performance of the company, because good corporate governance can ensure the quality of accounting information disclosed to the public or stakeholders. Through the principle of transparency, the company would be compelled to provide information that is material and relevant in a way that is easily accessible and understood by stakeholders. In addition, the perfect corporate governance can strengthen the company's internal controls, reduce opportunistic actions and lower information asymmetry. Thus, corporate governance has a positive effect on the high quality of the information revealed Companies (Li & Qi 2008).

IFR research studies, in fact, also have included corporate governance research as an independent variable, but the measure used is the corporate governance mechanism with different indicators. However, in general it can be concluded that there was an effect of the implementation of Corporate Governance on the disclosure of information on the company's Web (Kelton & Yang 2008; Aly & Hussainey 2010; Puspitaningrum & Atmini 2012; Abdelsalam, Bryant & Street 2007). In contrast to previous studies, the corporate governance variables in this study will use a corporate governance assessment by independent parties such as IICD on companies that have a listing on the Stock Exchange in 2013-2014. The study looks at the difference between the company's disclosures of corporate governance with the title score is high or excellent viewed from the award given by the IICD with companies that do not receive it. Based on the description above, the formulation of the fourth hypothesis is as follows:
H4: Good Corporate Governance affects the IFR disclosure size.

3. RESEARCH METHOD
Population and Research Sample
The population consists of 473 companies listed on the stock exchanges in Indonesia. They were taken for the sample that is 50 companies, which are included in the list of 50 issuers, with the highest corporate governance score version IICD in 2013 - 2014. Then, these were coupled with the company that are not included in the award recipients, but there are in the same industry with companies' award recipient. Finally, 57 companies were taken as the company control. Thus, the number of samples to 107 companies.

Data Collection
The technique used to collect secondary data was by the document, in particular by collecting, recording, and reviewing the existing data on the web companies in the form of annual reports.

Data Analysis
Descriptive statistics is used to describe the data so that it becomes a clearer and easier information. This analysis will produce an average (mean), median, minimum value, and a maximum value. In addition, the researchers tested the hypothesis by using statistical regression analysis to dummy variables with the help of IBM SPSS version 22 program

Operationalization of the Variables and Measurement
The dependent variable in this study is a Level IFR disclosures while the independent variables are the company size, listing period, Industry Type, and Quality of Corporate Governance.

Variable of IFR Disclosure Size
Measurement of the disclosure is done by using a

Table 1
Characteristics of Respondents

Types of Industries		
Code	**Types**	**Total**
1	Manufacturing	13
2	Finance	31
3	Retail	6
4	Others	57
	Total	107
Total Assets		
Code	**In Billion IDR**	**Total**
1	< 5000	17
2	5000 – 14999	39
3	15000 – 29999	21
4	30000 – 49999	7
5	> 50000	23
	Total	107
Period of Listing		
Code	**In Years**	**Total**
1	< 5	26
2	6 – 10	21
3	11 – 15	17
4	16 – 20	16
5	> 20	27
	Total	107

score or index which is calculated based on the presence or absence of related items of financial information based instrument that has been used in previous studies (Pervan 2006; Chatterjee & Hawkes 2008; Türel 2010; Umoren & Asogwa 2013; Nurunnabi and Hossain 2012). Use of the index is done to reduce subjectivity that may arise as the assessment of the company's web respectively.

In accordance with the purpose of the study is to analyze the extensive IFR disclosures aforementioned Indonesia Stock Exchange after the release of the Chairman of Bapepam No. Kep-431/BL/2012, it is not as in previous studies that share the IFR disclosures into 4 groups: 1 Content, 2 Timeliness, 3 Technology, and 4 User support, in this study only seen an overall score that consists of the Group of Financial and Nonfinancial information. All the items that are used can be seen in Table 1.

The Rating of IFR Score was by sum total score of each item assessment. Each item will be worth 1 if it meets the criteria set by the assessment indicators, and the value 0 if it does not meet the established criteria of assessment indicators. Thus, IFR scores of companies will be between 0 and 34. Then, based on the scores organized, IFR index is organized depending according to each company.

Company Size

To determine the scale of the company, the researchers looked at the total asset of each company.

Period of Listing

Period of listing was measured by subtracting the first year of research with relevant companies listing on the Stock Exchange.

Type of Industry

Given the wide range of industries, in this study, the type of industry was divided into two groups, namely industry for the industry with the use of high technology (manufacturing, finance) are given a value of 1, while other industries (Retail, property, investment, etc.) given a value of 0.

Quality of Corporate Governance

The variable of corporate governance quality was

Table 2
Score of Disclosure

Financial Information		Non-Financial Information		Score Total	
Score	**Total**	**Score**	**Total**	**Score**	**Total**
1	2	5	1	7	1
2	1	6	1	10	1
5	1	7	1	11	1
10	1	8	4	17	1
11	4	9	16	19	4
12	4	10	19	20	1
13	6	11	27	21	3
14	8	12	25	22	2
15	17	13	13	23	6
16	15	**Descriptive**		24	7
17	19	Min	7	25	9
18	17	Max	33	26	11
19	5	Mean	26.2710	27	11
20	6	St. Dev	4.44372	28	13
21	1			29	16
				30	10
				31	4
				32	1
				33	5

measured using dummy variables, the companies' getting GCG Version IICD award 2014 were rated 1 and those without the Award were rated 0 as the control companies of those earning the award.

4. DATA ANALYSIS AND DISCUSSION

Results of Data Analysis

Description of Research Object

Companies used as the sample consists of 107 companies, in which, 50 of them have IICD Choice Award in 2014 and 57 of them as the control to companies that are not awarded IICD Award in 2014. They were selected by using purposive sampling with selected peers in each company that is awarded the IICD award in 2014.

Table 1 describes the distribution of industries of the sample, total assets, and period of listing on the Stock Exchange.

Mostly, companies are of other industries such as services, Real Estate, Infrastructure, and Utilities, with listing period almost the same for each category, and then, the company size divided into two, namely between 5000-14999 billion.

Furthermore, the condition for the disclosure of groups financial and non-financial information. In Table 2, it shows that there is only one company who does full disclosure, for all your financial information. As for non-financial information, there are 13 companies that do full disclosure. However, when viewed from the total score, none of the companies does full disclosure, both for financial and non-financial information. In general, it can be seen the average disclosure for a company sample is 26.27 of value of 34 (77%). These results are higher than the results of research and Hermana Pertiwi (2013) who earn an average disclosure score of 63.13%.

Based on Table 3, it can be seen that the least financial item disclosed by the company is about the condition of internal control, reporting for internal purposes, In-formation agent Shares, Dividend Policy, while for non-financial is Sustainability Report.

Classic Assumption Testing

Before doing the research hypothesis testing for the next step performed classical assumption. Test results for Classical Assumptions are summarized in Table 4.

Outlier Data Testing

For preliminary data on the test results, it was found there were 9 cases outliers so that all these cases were excluded from the analysis. Thus, of 107 sam-

Table 3
Score of IFR Disclosure Peritem

Items of Financial Disclosures	Total	Items of Non-Financial Disclosures	Total
Internal ControlInformation	24	Sustainable Reports	36
Report for Internal Interest	33	The latest date of being updated	66
Stock Agent Information	35	CSR Information	67
Dividend Policy	45	Investor Link	77
Summary of Financial reporting	65	Search Engine	87
Hal-Year Financial reporting	75	Press Release	92
The Latest Stock Price	75	Special Pages for Investors	99
The History of Stock price	75	Ability to download Financial reporting	99
Company Management	75	Website page in Foreign Language	101
Capital Change Report	88	Strategy, Vision, Mission, Operation Policy & Corporate Culture	106
Notes of Financial reporting	88	Company profile	107
Audit Repost	90	Information about products and Services	107
Accounting Policy	92	Contacts	107
Financial reporting of for EachSegment	92		89
Financial reporting of previous years	98	Average of Financial reporting	0.83
Quarterly Financial reporting	99		
Financial reporting in English	99		
Balance	103		
Income Statements	103		
Cash Flow reports	103		
Yearly Reports	105		
	79		
Average of Financial reporting	0.74		

ple, only 98 samples that can be used for further analysis.

Data Normality Testing

To test for normality, non-parametric test was conducted by using the Kolmogorov-Smirnov (K-S). SPSS output results for Value K-S showed a value of 0.200. This is higher than 0.05 so that it can be concluded research has a normal data, and thus, the assumption of normality is met.

Multicolonearity Testing

To test whether there is a correlation between independent variables, the researchers looked at the tolerance value of the results of SPSS output. The results show that there is no independent variable that has a value of Tolerance is less than 0.10. Thus, it is also with the value of Variance Inflation Factor (VIF), which shows there is no single independent variable that has a value VIF more than 10. For that reason, it can be concluded that there is no multicolonearity between the independent variables in the model.

Heterocedasticity Testing

To test whether the model occurred inequality residual variance of the observations to other observations. Test used was viewed graph plot between the predicted values of the dependent variable that is ZPRED with residual SRESID.

SPSS output results indicate that the dots randomly spread both above and below 0 on the axis Y. Thus, it can be concluded that there is no heteroscedasticity in regression models. Therefore, the model can be used to test the hypothesis.

Autocorrelation Testing

This test is to determine whether there is a correlation between disturbance error in *period t* and that in period *t-1*. Tests was conducted by using the Durbin-Watson test.

SPSS output results give DW value of 2,043, which is higher than the upper limit (du) 1.76 and less than 4-1.76 (4-du). Thus, it can be concluded there is no autocorrelation in the model. By looking at the results of all tests assumptions, the hy-

Table 4
Results of Classic Assumption Test

Testing	Results
Outlier test	Previous Data 107 sample - 9 outlier, sample being processed = 98
Normality	K-S = 0.200, Value > 0.05 --> Normal distribution data
Multicolinearity	Tolerance > 0.10, VIF < 10 --> There is no Multicolonearity
Heteroscedasticity	Plot Graph among ZPRED and SRESID spreading randomly --> No heteroscedasticity
Autocorrelation	Value DV 2.043, higher than du 1.76 and less than 4-du, --> No autocorrelation

Table 5
Results of Hypothesis Testing

	Hypotheses	Sig	Description
H1	IFR Disclosure size will be different among the different sizes of the companies	0.000	Accepted
H2	IFR disclosure size of the companies will be different among different periods of listing in Indonesian Stock Exchange	0.753	Rejected
H3	There is difference between the sizes of the different industries	0.000	Accepted
H4	There is different sizes of disclosures between the companies with good corporate governance awards IICD and those without that award	0.000	Rejected

pothesis testing can be done for this research model.

Hypothesis Testing

The Test using regression, using SPSS, with dummy variable provides a significant value for the variable of company size, industry, and corporate governance, while for the period of listing is not significant. The summary of hypothesis testing results can be seen in Table 5.

Discussion

Company Size and Internet-Financial Reporting Disclosure Size

In Table 5, seen significant support for the relationship between IFR disclosure and company size (Size), it can be concluded that the company size has an effect on the company's extensive IFR disclosure i.e. the greater the size of the company, the more extensive the IFR disclosure is. This results provide empirical support to the results of previous studies (Lestari & Chariri 2007; Prasetya and the governor 2012; Pubandani & Restuti 2013; Umoren & Asogwa 2013; Sharma 2013; Aziz, Ariffin & Mohamed 2009; Türel 2010; Almilia 2008; Chatterjee & Hawkes 2008; Pervan 2006; Ponte & Rodríguez 2002; Hanifa and Rashid 2005). It can be concluded that the greater the company size, the more extensive and comprehensive the duty to report to their stakeholders. This is in line with the agency theory in which large companies will attempt to download for reducing the conflict of interests between shareholders, debt holders, and the manager, and the disclosure that is more possible to provide adequate information to their stakeholders. Thus, it will reduce agency costs. In addition, the company could likely use technology to present information to various parties to prove or defend their reputation (Hanifa & Rashid 2005).

Period of Listing in ISE and Internet-Financial Reporting Disclosure Size

Based on the analysis, it was not found a support for the relationship between IFR disclosure and the period of listing for the company on the Stock Exchange. This indicates that the period of companies listing on the Stock Exchange has no effect on IFR extensive disclosures by the company. Thus, the company's experience, in terms of listing on the Stock Exchange were longer, or new, is the same as in the case of disclosure of their IFR. The results of this study differ from previous studies Pervan (2006) and Lestari and Chariri (2007). The lack of support for this long period of listing, shows that all firms have the same tendency in dealing with the regulation of Bapepam. The condition is associated with disclosing their financial information via their company's web page. That is, the role of government regulation is more paid attention than the experience of the company in terms of long period of listing.

Types of Industry and Disclosure of Internet- Financial

Statement related to the wide variation in disclosure between companies in different industries can be taken from SPSS output, showing the effect of industry type on IFR disclosure practices.

The different types of industries demonstrate the level of complexity of different businesses that reflect different businesses, in terms of using technology. The use of different technologies is related to the company's ability to present information on their websites, including the content, form, and quality of the web view. This result shows an empirical support to the previous studies by Oyelere, Laswad & Fisher (2003); Brennan and Hourigan (1999); Umoren & Asogwa (2013); Aly & Hussainey (2010); and Ponte & Rodríguez (2002). The previous researchers also provided evidence that there is an effect of the industry type on disclosure size. It described that the companies using high technology are more likely to use internet facilities in presenting their financial information. This evidence also supports the statement in signaling theory, stating that companies in similar industries tend to make similar disclosures (Aly & Hussainey 2010).

Company Internet-Governance and Financial Reporting Disclosure Size

The effect of Quality of good corporate governance is judged by the Award made by the IICD (2014) of the IFR disclosure and this gains a significant empirical support. SPSS output results support the difference between companies that receive the award and those without the awards for their IFR. This indicates that IFR disclosure is in line with the practice of good corporate Governance by the companies, especially their transparency in presenting information which is material and relevant to all our stakeholders. Good corporate governance can facilitate monitoring the company's performance. Although it uses a proxy that is different from previous studies (Kelton & Yang 2008; Puspitaningrum & Atmini 2012; Abdelsalam, Bryant & Street 2007). However, the results of this study provide empirical support of the relationship between good corporate governance and IFR disclosures by company.

5. CONCLUSION, IMPLICATION, SUGGESTION, AND LIMITATIONS

The issued regulation and attachment of X.K.6-making decision, by the Chairman of Bapepam No. Kep-431/BL/2012, got different responses between the capital market issuers. This is indicated by the level of disclosure that has not been made in full. The results of the analysis gives an average value disclosures for research sample that is 77% (26.27 item of value 34), which consists of financial information (74%) and non-financial (83%). These results indicate the development of the companies in response to the decision by Bapepam in 2012, compared with the results of Pertiwi & Hermana (2013) who earn an average disclosure score of 63.13%. It was least disclosed in terms of information by companies, concerning the internal control, reporting for internal interest, Information Agent Shares, Dividend Policy, and Sustainability Report.

The company's internal characteristics and the effect on mandatory IFR disclosures size are the types of industry and good corporate governance. It means that large companies, with similar industry conditions and the quality of good corporate governance disclosure practices, contribute to the IFR in Indonesia. Yet, the long period of listing that shows the company's experience as listed on the stock market does not affect the IFR disclosure size. In line with the agency theory and signaling theory, the IFR disclosure by the company can be more extensive if the companies are in large scale with high industrial type using technology and a good quality corporate governance.

The practical implications of this research are as follows: Big companies provide feedback to the importance of full disclosure of both financial and non-financial information. The adequate information contributes to the investment activities by the investors. In other words, IFR disclosure presented can provide relevant and beneficial information to the various stakeholders of the company. Besides the theoretical implication, this study indicates that the company characteristics that is internal governance in particular has a significant role in the management's efforts to present relevant and timely information to the stakeholders.

The limitations of this study are from the sampling that is a purposive. Thus, the analysis results cannot be generalized, given the GCG assessment by IICD was also not done randomly. For further research, researchers can do a random using research techniques of GCG in separate way.

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