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Factors Affecting the Internet Financial Reporting (IFR) in Banking Sector Companies Listed on the Indonesia Stock Exchange (IDX)

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ABSTRACT

Internet Financial Reporting is the disclosure of company's financial and non-financial information through the company's official website. The format commonly used includes HTML, PDF, XBRL, audio and video. This study aims to examine the effect of firm size, leverage, listing age, profitability, and liquidity on the Internet Financial Reporting. The population consists of banking-sector companies listed on the Indonesia Stock Exchange (IDX) period 2016. It used a purposive sampling with SPSS 23, software. The results of this study show that firm size and leverage have an effect on Internet Financial Reporting, but listing age, profitability, and liquidity have no effect on Internet Financial Reporting.

ABSTRAK

Internet Financial Reporting adalah pengungkapan informasi keuangan dan non-keuangan perusahaan melalui situs web resmi perusahaan. Format yang biasa digunakan meliputi HTML, PDF, XBRL, audio dan video. Penelitian ini bertujuan untuk menguji pengaruh ukuran perusahaan, leverage, umur listing, profitabilitas, dan likuiditas terhadap Internet Financial Reporting. Populasi dalam penelitian ini adalah perusahaan sektor perbankan yang terdaftar di Bursa Efek Indonesia (BEI) periode 2016. Teknik pengambilan sampel yang digunakan adalah purposive sampling dengan perangkat lunak SPSS 23. Hasil penelitian ini menunjukkan bahwa ukuran perusahaan dan leverage berpengaruh terhadap Internet Financial Reporting, tetapi usia listing, profitabilitas, dan likuiditas tidak berpengaruh terhadap Internet Financial Reporting.

1. INTRODUCTION

The internet has now become a part of human life. It can be used to facilitate various types of human or corporate work. Companies initially used a paper-based method. For example, they had to print out several reports related to financial and non-financial information on paper before providing them for their shareholders. All these were their accountability to the potential investors, as reference material before investing their capital. Yet, this paper-based method has several weaknesses, such as requiring a lot of costs and also being geographically limited.

Today, technology has developed rapidly and become a necessity for almost all people. In fact, many companies now use computer technology as a medium of communication with stakeholders to deliver financial and non-financial information as well as a medium for disseminating financial statements. This happens because every company has many stakeholders, especially investors, both inside and outside the country, who are difficult to reach. The investors always want to know various kinds of information related to the company as a consideration in investing their capital. One of the media that can be used by companies to reach all of their investors in disseminating company information is by utilizing technological developments in the internet.

Today, internet media can be utilized by companies by simply having a website and then using the paper-less method to upload information and financial reports to

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the company's website. It is very efficient. The paperless method can minimize existing weaknesses in the paper-based method, where the current method does not require a lot of costs and is not geographically limited. Besides, the website user can change the data in the website in real time. Shareholders and potential investors simply download information and financial reports through laptops or smart phones facilitated by internet connections. According to Luciana (2008), companies that are considered capable of competing in business competition are companies that are able to implement technological development in their companies.

The ease of accessing the internet provides a rapid development of internet technology as a medium for disseminating information. This condition can be used by companies to spread positive information about the company to stakeholders and potential investors. This is what causes many companies to create and manage websites to disseminate company information. The company's positive information presented on the website will make it easier for stakeholders and potential investors to gather company information with the aim to attract more potential investors.

The company's website currently has an important role in the progress of the company, because the company's official website can be used to promote the company's vision, production details, stock prices, and company's achievements. The company's official website is also used to disclose financial statement information more completely and in detail. Unfortunately, not all companies are willing to present their financial statements through their website because there is no guarantee of security regarding the financial statements they have uploaded on the company's website (Mellisa and Soni, 2012).

The use of internet media as a medium for reporting financial and non-financial information is called the Internet Financial Reporting (IFR). In recent years, Internet Financial Reporting (IFR) has developed into the fastest method of disseminating information related to companies. It can be said that along with the development of technology, the presentation of information that was originally in the form of paper-based reporting systems has changed to a paperless reporting system. Of course, companies that implement Internet Financial Reporting (IFR) will be more easily recognized by investors than those that do not implement Internet Financial Reporting (IFR).

Companies in Indonesia have also begun to implement financial reporting through the company's official website. This is evidenced by the regulation of the Ministry of Finance of the Republic of Indonesia (2012) rule number XK6 attached to the decree of the Chairperson of Capital Market and Financial Institutions supervisory Board (BAPEPAM - LK) no Kep-431 / BL / 2012 which states that every public company is obliged to submit annual reports to BAPEPAM-LK no later than four months after the financial year ends. Each issuer or public company must submit an annual report of at least two copies, one of which is in the original form and accompanied by an electronic copy report, and provided on the company's official website. This has received a positive response from the issuers because the issuers no longer need to announce or advertise in newspapers to minimize agency costs.

On February 19, 2018, the Indonesian Internet Network Provider Association (APJII) released the results of research in 2017, in which internet services for the banking sector was the lowest, or at 7.39 percent, in relation to internet access. This refers to the many banking activities that still leave a budget to provide software related to internet services, while they still continue to budget large funds for hardware (kompas.com, 2018).

Research conducted by Riyan and Rina (2017) shows that in the basic industry and chemicals sector companies listed on the Indonesia Stock Exchange, the variables of profitability, leverage, and board of commissioners have an influence on Internet Financial Reporting. Research conducted by Reskino and Nova (2016) show that of the 54 companies in the property, real estate and construction sectors listed on the Indonesia Stock Exchange, 53 companies implement Internet Financial Reporting. While the research conducted by Yosafat and Yulius (2013) shows that of the 135 manufacturing companies listed on the Indonesia Stock Exchange in 2013, only 102 companies implement Internet Financial Reporting. Several factors that could influence the implementation of Internet Financial Reporting practices are firm size, leverage, listing age, profitability, and liquidity.

Firm size is a value that shows the size of the company that can be expressed in total assets, sales, and profits that can be obtained by the company (Mellisa and Soni, 2012). The greater the value of total assets, sales and

profits obtained by the company, the greater the size of the company. The size of the company influences the information disclosure system of a company. The results of the research conducted by Riyan and Rina (2017), Reskino and Nova (2016), Yosafat and Yulius (2013), Hany and Anis (2012), and Mellisa and Soni (2012) show that the firm size has an effect on the disclosure through Internet Financial Reporting because the larger the size of the company, the greater the company's obligation to report performance to shareholders as a form of management's responsibility to avoid information asymmetry. In addition, large companies are more easily monitored in their business activities in the capital market, so it is good for companies to conduct Internet Financial Reporting in order to provide clear information to prospective investors about the company's prospects in the future. While the results of research conducted by Sri et al (2016) show that firm size has no relationship with the Internet Financial Reporting because large companies or small companies still use Internet Financial Reporting as a form of transparency and accountability.

Leverage is the extent to which the company depends on creditor capital in financing company assets (Kasmir, 2013: 151). Companies with low leverage value will be pleased to implement Internet Financial Reporting as a form of positive signals given to shareholders and potential investors. This indicates that the company has good financial conditions. The research conducted by Riyan and Rina (2017), Yosafat and Yulius (2013), and Hany and Anis (2012) reveals that leverage has an effect on Internet Financial Reporting, because companies with low leverage value will be pleased to implement Internet Financial Reporting as a form of positive signal given to shareholders as well as prospective investors, which indicates that the companies have good financial conditions. However, the results of research conducted by Reskino and Nova (2016), Mohammed Ehab and Basuony Mohammed (2015), and Meliisa and Soni (2012) show that leverage has no effect on Internet Financial Reporting because companies with high leverage value will also continue to implement Internet Financial Reporting to fulfill the shareholders' needs for information to avoid information asymmetry.

Listing age is how long the company has been listed on the stock exchange. Companies that have listed on stock exchange have an obligation to present financial statements in full (Mellisa and Soni, 2012). Companies that have long been listing indicate that the companies can still survive in the face of business competition. Companies that have long been listed tend to have more information disclosure publicity than the companies that have just been listing. Disclosure of financial and non-financial information contains information that is useful for shareholders to avoid information asymmetry.

The results of research conducted by Sri, et al (2016), Mohammed Ehab and Basuony Mohammed (2015), and Hany and Anis (2012) show that listing age has an effect on Internet Financial reporting. Companies that have long been listing will use Internet Financial Reporting because it is an easy way to disclose financial and non-financial information as a form of company's accountability. However, the results of research conducted by Dolinsek et al (2014) and Agboola and Salawu (2012) show that listing age has no effect on the Internet Financial Reporting because the companies that has just been listing on the stock exchange will also implement Internet Financial Reporting to comply with regulations. In addition, Internet Financial Reporting can minimize agency costs.

Profitability shows the company's ability to generate profits in a certain period. Profitability is a benchmark of a company in attracting potential investors (Luciana, 2008). Research conducted by Riyan and Rina (2017), Dolinsek, et al (2014), Fransiskus, et al (2012), and Agboola and salawu (2012) shows that profitability affects Internet Financial Reporting, because companies with high profitability will conduct Internet Financial Reporting as a form of good signal and good news to attract the prospective investors, indicating that the companies are successful in running the company's management system.

However, the results of research to Reskino and Nova (2016), and Mohammed Ehab and Basuony Mohammed (2015) show that profitability does not affect the Internet Financial Reporting even with low profitability, because companies still have to disclose financial and non-financial information in accordance with the regulation of Financial Services Authority of Indonesia (OJK) as a manifestation of the company's transparency towards the public and the form of responsibility to meet the shareholders' need for information.

Liquidity is the company's ability to pay

short-term liabilities at maturity (Kasmir, 2013: 128). Bad corporate finance causes the company to be unable to pay short-term debt at maturity. Companies with high liquidity indicate that the companies have good financial condition. Research conducted by Sri et al (2016), Fransiskus et al (2012), and Hany and Anis (2012) shows that liquidity has an effect on Internet Financial Reporting. High liquidity value indicates that the company has a good performance so that it is able to maintain the company's financial condition well. The company manager will conduct an Internet Financial Reporting as a signal to potential investors to invest their capital in the company. However, research conducted by Reskino and Nova (2016), Yosafat and Yulius (2013), and Mellisa and Soni (2012) shows that liquidity has no effect on Internet Financial Reporting because companies with low liquidity value will continue to carry out Internet Financial Reporting as a form of responsibility and to meet the prospective investors' need for information.

The inconsistency of the results of previous studies makes the researchers conduct this research. This research aims to test and prove the influence of firm size, leverage, listing age, profitability, and liquidity on Internet Financial Reporting (IFR) in banking sector companies. These variables are chosen based on the intensity of the use of the variables in previous studies which still produce different results. The reason for using banking sector companies as the population is because banking companies are considered to have an important role in the economic activities of a country. The sample used is banking companies listed on the Indonesia Stock Exchange in 2016 because in that year all companies implemented the Financial Services Authority (OJK) regulations regarding financial reporting obligations through the company's official website.

2. THEORETICAL FRAMEWORK AND HYPOTHESIS

Signaling Theory

Signaling Theory, according to Brigham and Houston (2013: 503), is an action taken by a company manager to signal to potential investors about the company's image and prospects in the future. A good prospect is good news for companies to be able to attract more prospective investors to invest in the company. In addition, signaling theory can be in the form of financial and non-financial information about what has been done by management in realizing the wishes of shareholders.

Companies can increase company value by reducing information asymmetry. One way to reduce information asymmetry is by giving positive signals. The signals can be in the form of promotions or announcements of published financial and non-financial information. Signals in the form of positive and trustworthy financial information can provide an overview of the company's true prospects. Positive signals make management able to explain the condition of the company's image to shareholders and the prospects of the company to prospective investors better (Brigham and Houston, 2013: 505).

Agency Theory

Agency theory was initially introduced by Michael C. Jensen and William H. Meckling in 1976. According to them, agency theory is the relationship between principal and agent, where there is an agreement between the principal (one person or more) and agents to provide services in the interest of the parties who delegate the task (principal) to make decisions. Therefore, agency theory can be said as one theory that is closely related to Internet Financial Reporting, because company managers will need financial and non-financial report information as material for consideration in decision making.

In the framework of agency theory, there are three types of agency relationships: agency relationship between managers and company owners, agency relationship between managers and creditors, and agency relationship between managers and the government. In the context of the company, the principals hope that company managers are able to make the best decisions in order to solve problems that arise in agency relationships (Mellisa and Soni, 2012).

Internet Financial Reporting (IFR)

Internet Financial Reporting is the disclosure of the company's financial and non-financial information through the company's official website, commonly using formats of HTML, PDF, XBRL, audio and video. The use of internet media to disclose the company's financial statements has many advantages. The advantages that will be gained include minimal costs, real time, and geographically unlimited. Internet Financial Reporting (IFR) is used by companies to better communicate

with stakeholders, especially investors. The information presented on the company's official website can be accessed by anyone anytime and anywhere at a lower cost.

Firm Size

Firm size is a value that shows the company's size as expressed in their total assets, sales, and profits that they can obtain (Mellisa and Soni, 2012). The greater the value of total assets, sales and profits obtained by the company, the greater the size of the company. Large companies tend to have more management information so that they have better information disclosure than small companies (Luciana, 2008).

Large companies have more resources to utilize Internet Financial Reporting such as internet facilities and better quality of human resources to disclose financial statement information on the company's official website.

Leverage

Leverage, according to Kasmir (2013: 150), is a tool to measure the extent to which the company depends on creditors in financing company assets. Leverage is defined as the use of financial fund sources such as debt and loan funds by companies to increase shareholder profits. To carry out its operations, every company has various needs, especially with regard to funds so that the company can run accordingly. The funds are always needed to cover all or part of the costs needed, both short-term and long-term funds needed for business expansion. In this case, the manager has a task to meet the needs of the fund. Various ways can be done well, such as issuing shares, bonds, and making debt to creditors (Kasmir, 2013: 151).

Listing Age

Listing age shows the length of the company listed on the Indonesia Stock Exchange (IDX). Long-listed companies indicate that the companies can still survive in competitive and creative competition in the face of various types of business competition (Reskino and Nova, 2016). Long-listed companies tend to have more information disclosure publicity than the newly-listed companies. Companies that want to list on the IDX should make Initial Public Offering (IPO).

Capital Market Law No. 8 of 1995 explains that companies that will list or have listed have the obligation to disclose financial and non-financial information. Long-listed companies provide more information publicity than the newly-listed companies because they have experience as part of the accountability set by the Financial Services Authority (OJK).

Profitability

The profitability of a company shows the income that can be generated in a current period. Profitability is a variable that shows the results of the company's productivity operations in the current period (Brigham and Houston, 2013: 527). Profitability is a variable to assess a company's ability to seek and see profits (Kasmir, 2013: 196). Profitability measures the company's ability to generate profits from business activities carried out. This is also the end result of a number of policies and decisions made by the company (Kasmir, 2013: 197).

Liquidity

Liquidity is a company's ability to pay theri short-term liabilities at maturity. Since liquidity is a common variable used to measure the financial soundness of a company, each company is required to maintain its liquidity and guarantee operations in fulfilling its obligations. Companies with good liquidity conditions indicate that the companies have good financial conditions.

Banking sector companies that have greater total assets have the advantage of channeling loans to borrowers in greater numbers so that they can obtain high profits (Alper et al., 2011). High liquidity value causes company manager to conduct Internet Financial Reporting as a form of responsibility to shareholders to avoid information asymmetry, as well as a good signal for prospective investors in the form of future company prospects with sound financial conditions.

The Effect of Firm Size on Internet Financial Reporting

Firm size is a value that shows the size of the company that can be expressed in total assets, sales, and profits obtained by the company (Mellisa and Soni, 2012). The greater the value of total assets, sales and profits obtained by the company, the greater the size of the company. Large companies tend to have more management information systems so that they have better information disclosure than small companies (Luciana, 2008). Large companies have more resource to utilize Internet Financial Reporting such as internet facilities and also the quality human resources

to disclose financial statement information on the company's financial website. The results of previous studies conducted by Riyan and Rina (2017), Reskino and Nova (2016), Dolinsek et al (2014), Yosafat and Yulius (2013), Hany and Anis (2012), and Mellisa and Soni (2012) show that firm size has an effect on Internet Financial Reporting. Based on the description, the hypothesis can be formulated as follows:
Hypothesis 1: Firm Size has an effect on Internet Financial Reporting.

The Effect of Leverage on Internet Financial Reporting

Leverage, according to Kasmir (2013: 150), is a tool to measure the extent to which the company depends on creditors in financing company assets. Leverage is defined as the use of financial fund sources such as debt and loan funds by companies to increase shareholder profits. To carry out its operations, every company has various needs, especially with regard to funds, so that the company can run accordingly. Funds are always needed to cover all or part of the costs needed, both short-term and long-term funds needed for business expansion. In this case the manager is tasked with fulfilling the needs of the fund. Various ways can be done, such as issuing shares, bonds, and making debt to creditors (Kasmir, 2013: 151).

Companies with high leverage have a tendency not to carry out Internet Financial Reporting because of the costs that they must incurr, such as the cost for making website and managing the website. Conversely, the companies with low leverage, creditors and investors will feel safe if they invest because the companies are considered having a low risk of credit agreement violations. The results of previous studies conducted by Riyan and Rina (2008), Dolinsek et al (2014), Yosafat and Yulius (2017), Fransiskus et al (2012), Agboola and Salawu, as well as Hany and Anis (2012) show that leverage has an effect on International Financial Reporting,. Based on the description, the hypothesis can be formulated as follows:
Hypothesis 2: Leverage has an effect on Internet Financial Reporting.

The Effect of Listing age on Internet Financial Reporting

Listing age shows how long the company has listed on the Indonesia Stock Exchange (IDX), long-listed company indicates that the company can still survive in competitive and creative competition in the face of various business competition (Reskino and Nova, 2016). Long-listed company tends to have more information disclosure publicity than new one. Companies that list on the IDX must carry out Initial Public Offering (IPO).

Capital Market Law No. 8 of 1995 states that companies that will list or have listed on IDX have obligation to disclose financial and non-financial report information. Long-listed companies provide more information publicity than the newly-listed companies, because they have experience as part of the accountability set by the Financial Services Authority (OJK). The results of studies conducted by Hannah and Anis (2012), Sri et al (2016), Mohammed Ehab and Basuony (2015) show that listing age has an effect on Internet Financial Reporting. Based on the description, the hypothesis can be formulated as follows:
Hypothesis 3: Listing age has an effect on Internet Financial Reporting.

The Effect of Profitability on Internet Financial Reporting

The company's profitability shows the income that can be generated in a current period. Profitability is also a variable that shows a combination between liquidity and asset management in the results of current period operations (Brigham and Houston, 2013: 527). Therefore, profitability is a variable to assess a company's ability to seek and see profits (Kasmir, 2013: 196). It can also measure the company's ability to generate profits from business activities they carry out. This is also the end result of a number of policies and decisions made by the company (Kasmir, 2013: 197).

Results of the research conducted by Luciana (2008), Hanny and Anis (2012), and Anthony et al (2012) show that listing age has an effect on Internet Financial Reporting. Based on the description, the hypothesis can be formulated as follows:
Hypothesis 4: Profitability has an effect on Internet Financial Reporting.

The Effect of Liquidity on Internet Financial Reporting

Liquidity is the company's ability to pay their short-term liabilities at maturity. Since liquidity is a common variable used to measure the financial soundness of a company, each company is required to maintain its liquidity and guarantee operations in fulfilling its

obligations. Companies with good liquidity indicate that the companies have good financial conditions.

Banking sector companies that have larger total assets will have the advantage of giving credit to larger numbers of borrowers in great quantity so that they can obtain high profits (Alper et al., 2011). High liquidity value causes corporate managers to conduct Internet Financial Reporting as a form of responsibility to shareholders to avoid information asymmetry, as well as a good signal for prospective investors in the form of future company prospects with sound financial conditions.

The results of research conducted by Sri et al (2016), Fransiskus et al (2012), and Hany and Anis (2012) show that liquidity has an effect on Internet Financial Reporting. Based on the description, the hypothesis can be formulated as follows:

Hypothesis 5: Liquidity has an effect on Internet Financial Reporting.

The research framework is as shown in Figure 1.

3. RESEARCH METHOD

Research Sampling

The population consists of banking-sector companies listed on the Indonesia Stock Exchange (IDX), while the sample used in this study is banking sector companies listed on the Indonesia Stock Exchange (IDX) for the period 2016 and meet the sample criteria. The sampling technique used in this study is purposive sampling method. The sample criteria in this study include: (1) the banking sector companies that have official website that can be accessed by the public, (2) the banking sector companies that issued audited annual financial statements for the period of 2016, (3) the banking sector companies that have the data and information needed by researchers related to the research.

Research Data

The study used secondary data collected from using documentation method. They were taken from the company's financial statements through the IDX official website and through the company's official website.

Research Variable

The dependent variable used in this study is Internet Financial Reporting, while the independent variables are firm size, leverage, listing age, profitability, and liquidity.

Operational Definition of Variables

Internet Financial Reporting

Internet Financial Reporting is the disclosure of both the companies' financial and non-financial information through their official website. The formats commonly used to publish financial information on the company's website are HTML, PDF, XBRL, audio and video. The use of internet media to disclose the company's financial statements has many advantages. The advantages include real time, cost-effectiveness and geographically unlimited. Internet Financial Reporting (IFR) is used by companies to establish better and faster communication with stakeholders, especially investors. The information presented on the company's official website can be accessed by anyone anytime and anywhere at a lower cost.

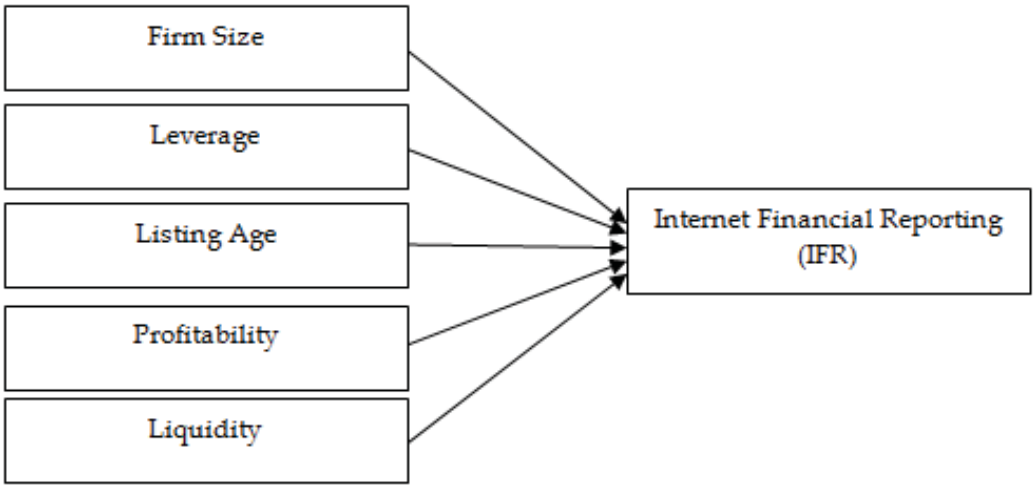

Figure 1
Research Framework

In this study, Internet Financial Reporting (IFR) was measured using an index developed by Luciana (2008) consisting of 4 components: content, timeliness, technology utilization and user support. The formula for calculating Internet Financial Reporting (IFR) is:

IFR = (40% x content index) + (20% x timeliness index) + (20% x technology utilization index) + (20% x user support index).

Firm Size

Firm size is a value that shows the size of the company that can be expressed in total assets, sales, and company profits. The equation used to calculate Firm size is as follows:
Firm Size = Ln Total Assets

Leverage

Leverage, according to Kasmir (2013: 150), is a tool to measure the extent to which the company depends on creditors in financing company assets. The equation used to calculate the leverage is as follows:

$$DER = \frac{\text{Total Debt}}{\text{Total Equity}}$$

Listing Age (LA)

Listing age is how long the company has been listed on the Indonesia Stock Exchange (IDX). Long-listed companies indicate that the companies can still survive in competitive and creative competition in the face of various kinds of business competition. The equation used to calculate the listing age is as follows:
LA= Year of Observation - Year IPO

Profitability

Profitability is a variable to assess a company's ability to seek and see profits in a given period (Kasmir, 2013: 196). The equation used to calculate the profitability is a follows:

$$ROE = \frac{\text{Net income after tax}}{\text{Capital}}$$

Liquidity

Liquidity is the company's ability to pay its short-term liabilities. LDR ratio that is commonly used in measuring company liquidity is:

$$LDR = \frac{\text{Loans}}{\text{Third Party Funds}}$$

Analysis Tool

The data were analyzed using a multiple linear regression analysis. They were also analyzed using a descriptive statistical analysis, classical assumption testing (normality test, multicollinearity test, and heteroscedasticity test), and hypothesis testing (F-test, determination of coefficient (R^2) test, t-test).
The equation model used in this study is:

$$IFR = \beta 0 + \beta 1X_1 + \beta 2X_2 + \beta 3X_3 + \beta 4X_4 + \beta 5X_5 + \varepsilon$$

Note:

IFR	: Internet Financial Reporting
X_1	: Firm Size
X_2	: Leverage
X_3	: Age of listing
X_4	: Profitability
X_5	: Liquidity
β	: Constant
$\beta 1, \beta 2, \beta 3, \beta 4, \beta 5$	: Regression Coefficient
ε	: Standard error

4. DATA ANALYSIS AND DISCUSSION

Descriptive Test

Descriptive analysis is used to provide an overview of all variables used both dependent and independent (Imam, 2013: 19). The dependent variable used by in this study is Internet Financial Reporting, and the independent variables are firm size, leverage, listing age, profitability, and liquidity.

In Table 1, it can be seen that IFR has the minimum value of 16.30, the maximum value of 22.0, the mean value of 18.895, and the standard deviation value of 1.5299. The mean value that is greater than the standard deviation value indicates that the value of the sample is gathered or clustered around its count average value which results in the spread of the data being homogeneous or not varied. The IFR minimum value of 16.30 is owned by PT. Bank QNB Indonesia Tbk, while the IFR maximum value of 22.0 is owned by Bank Mandiri Persero Tbk.

Firm size has the minimum value of 28.35, the maximum value of 34.58, the mean value of 31.112 and the standard deviation value of 1.7632. The larger the firm size, the greater the company awareness to disclose information using Internet Financial Reporting.

Leverage has the minimum value of 0.86, the maximum value of 10.87, the average value of 5.728 and the standard deviation value of 2.1416. A high level of leverage means that the company has a lot of debt and is considered to have a high risk of violating the credit agreement.

Listing age has the minimum value of

1.00, the maximum value of 34.00, the mean value of 12,800 and the standard deviation value of 8.7565. The longer the company listing on the stock exchange, the better the company experience in presenting more creative and up to date financial reports.

Profitability has the minimum value of -0.47, the maximum value of 0.53, the mean value of 0.53 and the standard deviation value of 0.1447. High profitability indicates that the company has a performance by utilizing assets and human resources very well.

Liquidity has the minimum value of 0.05, the maximum value of 0.835, the mean value of 0.835 and the standard deviation value of 0.1746. High liquidity indicates that the company has a good financial condition so that it can guarantee payment of short-term debt at maturity.

Classical Assumption Test

Normality Test

Kolmogorov-smirnov value is 0.087 with a significance level of 0.200. The significance level is greater than 0.05, so H0 is accepted. This result shows that the data in this research model are normally distributed.

Multicollinearity Test

Multicollinearity test is used to test whether in the model of this study there is a correlation between independent variables. From the results of the analysis, there is no VIF value which is more than 10 and the tolerance value is also less than 0.1 for all variable models. So, it can be concluded that there is no multicollinearity in this study.

Heteroscedasticity

Heteroscedasticity test is used to test whether there is an inequality of variance from the residual of one observation to another observation of the research model. Heteroscedasticity test is done using Glejser Test. Significance values for all independent variables on residual absolute are greater than 0.05. It can be concluded that there is no heteroscedasticity in this study.

Results of Analysis and Discussion

In Table 2, it can be seen that the F count value is 3.390 with a significance level of 0.014. The level of significance is less than 0.05 (0.014 < 0.05). So, the regression model is said to be fit and there is an influence of one of the independent variables on the variable of Internet Financial Reporting. Based on the results of determination of coefficient test, it can be seen that the Adjusted R^2 value is 0.235 (Table 2). This means that the ability of the research model to explain the dependent variable of Internet Financial Reporting is 23.5%, while 76.5% of the model cannot explain the dependent variable of Internet Financial Reporting.

The Effect of Firm Size on Internet Financial Reporting

The test results show that firm size has a significant effect on Internet Financial Reporting (H1 accepted). In Table 3, the mean value of profitability for IFR above the average has a higher value than the mean value of firm size for IFR below the average. This shows that large companies tend to have a high index of Internet Financial Reporting (IFR).

Large companies have a deeper awareness of using technology, especially the internet, to facilitate investors in obtaining complete financial and non-financial information. This proves that firm size influences the Internet Financial Reporting. Therefore, large-sized companies will tend to implement Internet Financial Reporting (IFR) with the aim of disseminating good news to those who use the financial statements. The results of this study are consistent with the results of research

Table 1
Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Internet Financial Reporting (IFR)	40	16.30	22.00	18.895	1.5299
Firm Size	40	28.35	34.58	31.112	1.7632
Leverage	40	0.86	10.87	5.728	2.1416
Listing Age	40	1.00	34.00	1.800	8.7565
Profitability	40	-0.47	0.53	0.050	0.1447
Liquidity	40	0.05	1.10	0.835	0.1746

Source: Processed Data

conducted by Riyan and Rina (2017), Reskino and Nova (2016), Yosafat and Yulius (2013), Hany and Anis (2012), and Mellisa and Soni (2012).

The Effect of Leverage on Internet Financial Reporting

Leverage shows the extent to which the company depends on creditor capital in financing the company's assets (Kasmir, 2013: 151). Leverage is calculated using the Debt Equity Ratio (DER) by way of dividing total debt with total equity. Based on the results of hypothesis testing, it can be seen that the variable of leverage (X2) has a significance value of 0.005 smaller than 0.05. So, it can be concluded that the variable of leverage (X2) influences the Internet Financial Reporting, or H2 is accepted.

The results of this study indicate that the high and low leverage values affect the delivery of complete financial information through Internet Financial Reporting. Companies with low leverage tend to have high value for Internet Financial Reporting because managers want to disseminate good news and positive performance of the company.

PT Bank Panin Syariah Tbk. has the lowest leverage value of 0.86 but has a high Internet Financial Reporting value of 19.40. While PT Bank J Trust Tbk. has the highest leverage value of 10.87 but has a low value of Internet Financial Reporting at 16.40. This shows that leverage affects the Internet Financial Reporting. The results of this study are consistent with the results of the research conducted by Riyan and Rina (2017), Yosafat and Yulius (2013), Hany and Anis (2012), and Mellisa and Soni (2015) that leverage has an effect on Internet Financial Reporting.

The Effect of Listing Age on Internet Financial Reporting

Listing age is calculated by subtracting the value between years of research and the company's first issue. The listing age shows how long the company has been listed on the Indonesia Stock Exchange. Based on the results of hypothesis testing, it can be seen the probability significance value of the variable of listing age (X3) is 0.611 larger than 0.05. So, it can be concluded that the variable of listing age (X3) does not affect the Internet Financial Reporting, or H3 is rejected. Based on agency theory, the agent (manager) of the company has an obligation to report the company's performance to the principal as a form of responsibility and feedback to maintain the company's positive image and minimize information asymmetry between company managers and principals.

The descriptive analysis summarized in Table 4.21 shows that the number of companies that have an Internet Financial Reporting index above the average is 23 companies, while the number of companies that have Internet Financial Reporting index below the average is 17 companies. The average listing age of companies has an Internet Financial Reporting index below the average of 13.16 and above the average of 12.79. Long-listed companies tend to have more complete information disclosure publicity than newly-listed companies. However, the results of this study failed to prove the hypothesis.

Long-listed companies do not always have better accountability, integrity and quality in presenting financial information

Table 2
Results of Multiple Linear Regression Analysis

Model	Unstandardized Coefficient		Standardized Coefficient	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	6.903	4.650		1.485	0.147
Firm Size	0.434	0.156	0.501	2.784	0.009
Leverage	-0.330	0.109	-0.462	-3.027	0.005
Listing Age	-0.016	0.031	-0.090	-0.513	0.611
Profitability	1.794	1.626	0.170	1.104	0.278
Liquidity	0.580	1.307	0.066	0.444	0.660
Adjusted R^2			0.235		
F			3.390		
Sig. F			0.014		

Source: Processed Data

than the newly-listed, because there are many newly-listed companies that have implemented Internet Financial Reporting as a form of responsibility to shareholders and keep up with the times regarding the method of disclosing a more innovative and efficient financial and non-financial report information. This is supported by the results that show that the newly-listed companies have a high Internet Financial Reporting index score. The results of this study are consistent with the research conducted by Sri et al (2016), Mohammed Ehab and Basuony Mohammed (2015), and Hany and Anis (2012) that listing age does not affect Internet Financial Reporting.

The Effect of Profitability on Internet Financial Reporting

Profitability is the company's ability to generate profits in a certain period. Profitability is measured using Return on Equity (ROE) by way of dividing profit with total equity. Based on the hypothesis test, it can be seen that the significance value of the variable of probability (X4) is 0.278 greater than 0.05. So, it can be concluded that the variable of profitability (X4) does not affect the Internet Financial Reporting, or H4 is rejected.

The descriptive analysis summarized in table 4.21 shows that the number of companies that have an Internet Financial Reporting index above the average is 23 companies, while the number of companies that have Internet Financial Reporting below the average is 17 companies. The average profitability of the company has an Internet Financial Reporting index below the average of 0.05 and above the average of 0.06. This shows that there are companies that have high profitability values but have the value of the Internet Financial Reporting below the average flat, such as PT. Bank J Trust Indonesia Tbk, or 16.40. While the results of this study also show that companies with low profitability also disclose financial information using Internet Financial Reporting, such as PT. QNB Indonesia Bank which has a low profitability value of -0.19 but still discloses information through Internet Financial Reporting.

The results of this study indicate that low profitability does not prevent companies from disclosing through Internet Financial Reporting. Companies with low profitability and high profitability will continue to conduct Internet Financial Reporting as a manifestation of transparency and openness of company management in reporting financial performance to the principal. The results of this study are consistent with the results of the research conducted by Reskino and Nova (2016), Mohammed Ehaab and Basuony Mohammed (2015) that profitability has no effect on Internet Financial Reporting.

The Effect of Liquidity on Internet Financial Reporting

Liquidity shows the company's ability to pay its short-term liabilities. Liquidity is calculated using the Ratio of Liquidity Depth to Ratio (LDR) by way of dividing loans with third party funds. Liquidity is the level of a company's ability to pay its short-term liabilities. Lack of liquidity can cause the company to be unable to pay off its short-term debt at the maturity date (Mellisa and Soni, 2012). Based on the results of hypothesis testing, it can be seen that the significance value of the variable of liquidity (X5) is 0.660 greater than 0.05. So, it can be concluded that the variable of liquidity (X5) does not affect the Internet Financial Reporting, or H5 is rejected.

The descriptive analysis summarized in table 4.21 shows that the number of banking sector companies that have Internet Financial Reporting index above the average is 23 companies, while the number of companies that have Internet Financial Reporting index below the average is 17 companies. The

Table 3
Summary of Descriptive Analysis

	Number of Companies	Mean Value of Firm size	Mean Value of Leverage	Mean Value of Age of Listing
IFR above the average	23	31.30	5.96	13.16
IFR below the average	17	31.11	5.73	12.79
	Number of Companies	Mean value of Profitability	Mean Value of Liquidity	Mean Value of IFR
IFR above the average	23	0.06	0.83	18.80
IFR below the average	17	0.05	0.82	18.70

Source: Processed Data

average liquidity of the company has an Internet Financial Reporting index below the average of 0.82 and above the average of 0.83. This shows that the high or low liquidity value does not affect financial information disclosure through Internet Financial reporting. This shows that the high or low value of the company's liquidity does not affect the disclosure of financial information through Internet Financial Reporting.

PT Bank Panin Syariah Tbk. has the lowest liquidity value of 0.05 and has an Internet Financial Reporting value of 19.40. On the other hand, PT Bank Woori Saudara Indonesia has the highest liquidity value of 1.10 and the value of the Internet Financial Reporting of 20.00. The value of Internet Financial Reporting between companies that have high and low liquidity values that are not too far away indicates that liquidity has no effect on Internet Financial Reporting. The results of this study are consistent with the results of the research conducted by Reskino and Nova (2016), Yosafat and Yulius (2013), and Mellisa and Soni (2012) that liquidity has no effect on Internet Financial Reporting.

5. CONCLUSION, IMPLICATION, SUGGESTION, AND LIMITATION

In general, the variables of firm size and leverage have a significant effect on Internet Financial Reporting (IFR), while the variables of listing age, profitability, and liquidity have no effect on Internet Financial Reporting (IFR).

The theoretical implication of this study is that it is expected to add references and literature in understanding the factors that influence the practice of the application of Internet Financial Reporting (IFR).

The limitation of this study is related to the research results which show that the independent variables are only able to explain the dependent variable of 23.5%. Therefore, the remaining 76.5% can be much more explained by other variables outside the model.

It is suggested that the next researchers add or use other independent variables that can affect Internet Financial Reporting, such as managerial ownership and institutional ownership in order to increase the readers' insight.

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