Company Characteristics on Internet Financial Reporting (IFR): Evidence From Indonesian Companies

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ABSTRACT

Introduction - Financial reporting on the internet is voluntary (voluntary disclosure). The use of financial ratios can describe the good or bad condition of a company, which means, financial ratios become one of the benchmarks for financial statements published through the website.

Purpose - The purpose of this research is to examine The Influence of Company Size, Profitability, Liquidity, Leverage, Company Age, On Internet Financial Reporting on LQ45 Companies Listed on the Stock Exchange for the 2019-2021 Period. Further research is needed to complement previous research on stock prices that have been conducted in Indonesia.

Methodology/Approach - This study uses the variable Company Size, Profitability, Liquidity, Leverage, Company Age, And Internet Financial Reporting . This study uses quantitative research with secondary data as a data source. The population in this study are LQ45 companies listed on the IDX. The sample in this study used purposive sampling method. In this study using logistic regression analysis technique because the dependent variable is qualitative data using a dummy variable and the independent variable is a combination of metric and nonmetric.

Findings - Based on the test results show that the characteristics of companies with company size indicators have no effect on the timeliness of Internet Financial Reporting , company characteristics with profitability indicators have no effect on the timeliness of internet financial reporting , company characteristics with liquidity indicators have a negative effect on the timeliness of internet financial reporting , company characteristics with Leverage Indicator has a negative effect on the timeliness of Internet Financial Reporting , Company Characteristics with the Company's Registered Age Indicator has no effect on the timeliness of Internet Financial Reporting

Originality/ Value/ Implication – This study uses LQ45 companies listed on the IDX for the 2019-2021 period.

Keywords: Company Size, Profitability, Liquidity, Leverage, Company Age, Internet Financial Reporting

INTRODUCTION

In Indonesia Law no. 8 of 1995 concerning capital market regulations regulates the timeliness of financial reports. In 2012, BAPEPAM issued an attachment to the decision of the Chairman of the Capital Market Supervisory Agency of BAPEPAM Number: Kep-431/BL/2012 which obliges every issuer or public company whose registration statement has become effective, must submit an annual report to Bapepam and Financial Report no later than 4 months after the end of the financial year and in the decision it is also explained that the annual report must be published on the *website* of a public company together with the submission of the annual report and financial report to Bapepam. The regulation aims to make it easier for investors to get financial information more quickly to be used as a basis for decision making (Saifi, 2018).

BAPEPAM will impose administrative sanctions and fines in accordance with the provisions stipulated by law on companies that are late in submitting financial reports. This is supported by the IDX law no. II.6.3 and II.6.4 state that the IDX imposes sanctions on companies that are late in submitting financial reports to the IDX. Some of the sanctions imposed starting from the first written warning,

mention the types of obligations that are not fulfilled. Followed by a second written warning and the imposition of a fine of IDR 10,000,000.00 which is immediately deposited into the IDX account. After 30 calendar days from the date of the first written warning the company still does not fulfill its obligations and the last sanction is the temporary suspension of trading if the company does not correct its negligence within 30 days of receiving the second written warning (Dewi, 2019).

IFR is currently developing, but not all companies do IFR. According to Lestari & Chariri (2019) suggests that not all companies present financial reports on their personal websites. Companies tend not to do IFR because there is no security that ensures the internet is free from abuse. In other words, there are various factors that influence the company's choice to implement IFR or not.

Developments in Indonesia indicate a demand for transparency of a company's financial condition. In order to meet the public's need for information from the company, almost all publicly listed companies currently provide information in the form of general company information and company financial reports through the company's

website. *Internet Financial Reporting* as a corporate reporting medium can be called *Corporate Internet Reporting* (CIR). CIR is the presentation of the company's financial information reporting through the internet. Corporate financial reporting through the company website is a new method for disseminating financial information (Saifi, 2018).

Financial reporting on the internet is voluntary (*voluntary disclosure*). This is because there are no specific regulations governing CIR, so companies are free to inform things that can help in decision making. Disclosure of information on the company's website is also an effort from the company to reduce information asymmetry or information mismatch between the company and external parties. However, the company's management will consider the costs and benefits obtained in making voluntary disclosures. If the benefits to be obtained are greater than the costs to be incurred when making voluntary disclosures, then management will disclose information voluntarily. Research on disclosure states that developing voluntary disclosure has potential benefits for companies. First, it can help correct some of the company's misjudgments. Second, it can increase institutional interest and liquidity for company shares (Pustipatasri, 2019).

In Indonesia, the facts show that every year there are still delays in submitting financial reports, even though real sanctions have been given by BAPEPAM to companies that have violated regulations. As for the cases of violations of the timeliness of the rules that have been issued by Bapepam, namely the Financial Services Authority (OJK) has recorded as many as 33 cases of violations in the capital market in 2013. for the period of June 30, 2014, where as of August 4, 2014 the report has been reviewed on a limited basis or audited by a public accountant. As a result, 23 issuers were late in submitting their interim financial reports ending on June 30, 2014. In the period of December 31, 2015, according to IDX records as of January 2, 2018, there were 11 companies that had not submitted financial reports. A total of 7 of them have not submitted Financial Statements as of September 30, 2017. Referring to provision II.6.1 Rule 1-H: Regarding Sanctions, the Exchange has given a written warning 1 to 11 listed companies that do not fulfill the obligation to submit audited financial statements ending as of December 31 2017 in a timely manner. From the announcement published, there are names of companies in the various industrial sectors that are included in the group of companies that have not submitted financial reports in a timely manner (Soni & Irwandi, 2012).

Law No. 8 of 1995 states that if the company is late in submitting its financial statements, it will be given administrative sanctions and fines in accordance with the provisions of the law. The imposition of sanctions and fines on companies that are late in submitting financial reports beyond the time limit set by the stock exchange is intended so that investors can get the financial information needed more quickly for making investment decisions.

The emergence of IFR is expected to give birth to appropriate accounting concepts and practices. This instrument can contribute to a more honest and fair business progress because IFR itself has two main objectives, namely as a form of accountability and can be used to increase the transparency of business activities by taking into account the needs of investors in decision making.

The use of financial ratios can describe the good or bad condition of a company, which means, financial ratios become one of the benchmarks for financial statements published through the website. This is because the management will tend to publish the company's financial statements if the company's condition is good, where this condition will attract many investors and creditors. Activity Ratio can be a driving factor for companies to improve quality in publishing reports through the website.

A lot of research on Internet Financial Reporting has been done. Puspitaningrum & Atmini (2012) examined the mechanisms of corporate governance and the level of internet financial reporting: evidence from Indonesian companies on companies listed on the Indonesia Stock Exchange in the period 2010. They found that the frequency of audit committee meetings has a positive effect on IFR, and there is no effect between managerial ownership , blockholder ownership, independent commissioner and audit committee competence against IFR. Meanwhile Aulia (2018) examines the Effect of Term of Office of the Board of Commissioners, Public Ownership, Shares Issuance, and Liquidity on Timeliness of Corporate Internet Reporting in non-financial companies listed on the Indonesia Stock Exchange for the period 2013. in general, on the timeliness of CIR and there is no influence between the Issuance of Shares and liquidity on the CIR.

In addition, Putri & Nur (2020) They examined the determinants of the timeliness of Internet Financial Reporting in manufacturing companies listed on the IDX. The results showed that the determinants of the timeliness of Internet Financial Reporting were firm size, profitability, leverage, liquidity, and share issuance variables. However, according to research, profitability, liquidity, leverage, company size, and public share ownership have no significant effect on the financial reporting index via the internet.

Anna (2013) examines the Analysis of Factors Affecting Internet Corporate Reporting on Companies listed on the Indonesia Stock Exchange which are incorporated in Kompas 100 in 2012. The results show that the factors that influence CIR that have a significant effect are company size. and leverage. This is different from the research whose research results show that company size, profitability, number of commissioners and issuance of new shares have no effect on the timeliness of CIR, leverage, and ownership structure affects the timeliness of CIR.

It is necessary to carry out further useful research to find out the findings which, if applied to different conditions and times, because in the above phenomena as well as previous studies still produce inconsistent findings. Therefore, this study will identify the factors that influence Internet Financial Reporting by using different time periods and objects from previous research, so that it will provide research results that are different from previous research.

The purpose of this study is to examine the effect of firm size, profitability, liquidity, leverage, firm age, on internet financial reporting in LQ45 companies listed on the stock exchange for the 2019-2021 period. Further research is needed to complement previous research on stock prices that have been conducted in Indonesia. This study uses the variables of Firm Size, Profitability, Liquidity, Leverage, Company Age, and Internet Financial Reporting.

This research is different from previous research. The difference is in the population, time and sample used, namely LQ45 companies listed on the IDX for the 2019-2021 period. The reason for choosing a banking company is because LQ45 is an index that many investors are interested in, which consists of the 45 most active stocks traded on the Indonesia Stock Exchange based on liquidity and high market capitalization. LQ45 shares are shares that are in demand by many investors. This can be seen from the trading frequency data. Trading frequency shows the number of times a stock is traded in a certain period. Incorrect stock price movements are the result of market interactions. It is said that the stock is liquid if the trading frequency of the shares is large. Meanwhile, it is said to be illiquid or not attract investors if the frequency of trading shares is small. Therefore, the frequency of trading is of concern to investors to determine the right investment strategy. The LQ45 index is an index consisting of 45 shares of the Listed Company selected based on considerations of liquidity and market capitalization, with predetermined criteria. Review and replacement is done every 6 months. IDX regularly and explodes stocks in the LQ45 Index. Stocks whose performance will decline from the index (Sulia, 2017).

Formulation of the problem
Based on the description of the background stated above, the formulation of the problem in this study is as follows:

1. Does Company Size have a positive effect on *Internet Financial Reporting* in LQ45 Companies? Listed on the Indonesia Stock Exchange (IDX) in 2019-2021?

2. Does Profitability have a positive effect on *Internet Financial Reporting* in LQ45 Companies? Listed on the Indonesia Stock Exchange (IDX) in 2019-2021?

3. Does Liquidity have a positive effect on *Internet Financial Reporting* in LQ45 Companies? Listed on the Indonesia Stock Exchange (IDX) in 2019-2021?

4. Does Leverage have a positive effect on *Internet Financial Reporting* in LQ45 Companies? Listed on the Indonesia Stock Exchange (IDX) in 2019-2021?

5. Does the age of the company have a positive effect on *Internet Financial Reporting* in LQ45 companies? Listed on the Indonesia Stock Exchange (IDX) in 2019-2021?

HYPOTHESIS DEVELOPMENT
a) The Influence of Company Size on Internet Financial Reporting

The size of the company size can be based on the total value of assets, total sales, market capitalization, number of workers and so on. The larger the items, the larger the size of the company. The greater the assets, the more capital invested, the more sales, the more money circulation and the greater the market capitalization, the greater the recognition in the community.

Buana (2014) stated that large companies will perform IFR punctuality compared to medium and small companies. The use of the internet in reporting companies improves the company's image in the eyes of the public. The results of the study showed that there was a significant relationship between firm size and the timeliness of IFR. In addition, the results of the study also show a significant relationship between company size and the timeliness of IFR. According to the results of the research conducted by the researcher, there is no significant relationship between firm size and the timeliness of CIR.
H1 = Company size has a positive effect on Internet Financial Reporting

b) The Effect of Profitability on Internet Financial Reporting
Profitability is one indicator of the company's success to generate profits. So that the higher the profitability of the company's ability to generate profits for the company. Signal theory states that when a company shows good performance, management has a strong incentive to disseminate financial information in order to attract investors' attention.

The results of the study Sari (2011) show that the characteristics of companies with profitability indicators have no effect on the timeliness of CIR. Which shows that the determinants and timeliness of IFR are indicators of company size, profitability, liquidity, and company's carrying age.
H2 = Profitability has a positive effect on Internet Financial Reporting

c) Effect of Liquidity on Internet Financial Reporting
Liquidity is the level of the company's short-term ability to pay its short-term obligations. The cause of the company not being able to enjoy the short-term period on the maturity date is due to less or less liquid conditions. This causes companies to sometimes attract new loans with relatively high interest rates, sell their long-term or fixed assets for the short term. There is a tendency for the company to go bankrupt if the company is not liquid. Research conducted by shows that there is no relationship between company characteristics and IFR timeliness indicators. According to Soni & Irwandi (2012) shows that the determinants of the

timeliness of IFR indicators of company size, profitability, leverage, liquidity, and share issuance.
H3 = Liquidity has a positive effect on Internet Financial Reporting

d) The Effect of Leverage on Internet Financial Reporting
Leverage is the company's long-term ability to meet its obligations. In this situation the company is valued for its long-term and short-term liabilities when the company is liquidated. The higher the company's leverage level, the higher the company's debt.

Information about the company's ability to pay its obligations is very important for users of financial statements. One way to provide this information is to make financial and non-financial uses through the company's website. This statement is supported by agency theory which explains the company's information through the company's website showing that increasing the level of leverage, the company has an incentive to increase cooperation with stakeholders in the form of traditional media and other media.

The results of the study Darmayoni & Dwirandra (2019) showed a significant relationship between characteristics and average indicators on the timeliness of IFR companies. According to the characteristics of the company, the leverage indicator has no significant effect on the timeliness of the IFR.
H4 = Leverage has a positive effect on Internet Financial Reporting

e) Effect of Company Age on Internet Financial Reporting
Directly a company that has been around for a long time proves that the company survives and makes a profit in various economic conditions. In addition, it shows how the company can maintain a good reputation position in the industry in a fierce competition. Usually, if the company has been established for a long time, it is considered to have good performance and sufficient experience to generate public trust.

According to Sulistiyanto & Nugrahanti (2013) there is an insignificant relationship between company characteristics and company age indicators on the timeliness of IFR which has been proven in research. In addition, research results from Darmayoni & Dwirandra (2019) also show that the company's carrying age has no effect on the timeliness of IFR. The same thing is also found in the results of research Soni & Irwandi (2012) which shows that the company's carrying age has no effect on the timeliness of IFR.
H5 = Company age has a positive effect on Internet Financial Reporting

METHOD
This study uses a quantitative research type with secondary data as a data source (Sugiyono, 2017). The population in this study is LQ45 companies listed on the IDX in 2019-2021.

Companies that are the sample of this study were selected using a purposive sampling method, where the sample was selected based on certain considerations or certain characteristics. The criteria for selecting the sample are as follows:
1. LQ45 companies listed on the Indonesia Stock Exchange (IDX) for the period 2019-2021
2. Presenting complete financial reports for the period 2019-2021
3. Disclosing its financial statements via the *web*

There are 45 companies used in the sample, as follows:

Table 1. Research criteria

No	Sample Criteria	Number of Companies
01.00	LQ45 company listed on the Indonesia Stock Exchange (IDX) Universitas Muhammadiyah Sidoarjo for the period 2019-2021	45
02.00	Incomplete company Presenting financial statements for the period 2019-2021	0
03.00	Companies that do not disclose their financial statements on the web for the period 2019-2021	0
04.00	Number of companies studied	45
05.00	Number of observations 45 x 3 years	135

Variables and Variable Operational Definitions
The variables in this study were divided into two, namely the independent variable and the dependent variable.

1) Dependent Variable (Bound Variable)
The dependent variable (bound) is the type of variable that is explained or influenced by the independent variable. The dependent variable in this study is Internet Financial Reporting. In the sustainability of the company's Internet Financial Reporting condition is very important.

Internet Financial Reporting can be interpreted as disclosure of information through the internet media regarding financial and non-financial information related to the company's resources and performance. Web based corporate reporting has become something very popular nowadays. With the internet, parties with an interest in disclosing company information can get the information they need easily, on time and at low cost. Timeliness of company disclosure on the internet Disclosure of company information via the internet in a timely manner. Timely disclosure of the company indicates that the company has good news. Disclosure of information in a timely manner makes the information more useful (Lipunga, 2014).

Internet Financial Reporting here measured nominally by using a dummy variable. Companies that report financial information on the internet 90 days are coded 1, while companies that report financial information on the internet > 90 days are coded 0. This is in accordance with BAPEPAM XK6 regulations which state that "the submission of audited annual financial statements is said to be timely. if submitted before or no later than the end of the

third month after the date of the public company's annual financial report. Timeliness information on Internet Financial Reporting is obtained from the website www.idx.co.id .

2) Independent Variable (Free Variable)
An independent variable is a type of variable that explains or affects other variables. The independent variables in this study are:

a) Company Size
In this study, firm size is measured by the natural logarithm of total assets. Natural logarithms are chosen to flatten the data or avoid overlying data ranges. Total assets were chosen by considering that the asset value is relatively more stable when compared to the market capitalization and sales value (Sulistyanto And YW Nugrahanti, 2013).

$$\textbf{SIZE = Ln Total Assets}$$

b) Profitability
In this study, profitability is measured using ROE because ROE describes the company's ability to generate profits that can be obtained by shareholders using their own capital (Darmayoni & Dwirandra, 2019):

$$\textbf{ROE} = \frac{\textbf{Net Profit}}{\textbf{Total Equity}}\textbf{(Percent)}$$

c) Liquidity
Liquidity is calculated by the Current Ratio (CR) because this ratio is a popular ratio in measuring company liquidity. There is a measurement using the formula (Noor et al., 2012):

$$\textbf{Current Ratio (CR)} = \frac{\textbf{Current Assets}}{\textbf{Current Liability}}\textbf{(Percent)}$$

d) Leverage
In this study, the indicator used to measure the level of leverage is the Debt to Asset Ratio (DAR). The measurement is using the formula (Handayani & Almilia, 2013):

$$\textbf{DAR} = \frac{\textbf{Liability}}{\textbf{Assets}}\textbf{(Percent)}$$

e) Company Age
Registered age in this study is measured according to the age of the company since the initial public offering (First Issue). The measurement is by using the formula (Dewinta & Setiawan, 2016):

Registered Age (UT) = Year t - Year IPO (First Issue)

Data analysis technique
The statistical analysis technique in this study uses logistic regression which explains the effect between the dependent variable and several independent variables (Ghozali, 2013). Logistic regression was chosen in this study because the dependent variable in this study was a dummy variable. To simplify the analysis, the SPSS (Statistical Package for Social Science) version 26 software was used.

a. Descriptive Statistics Test
Ghozali (2016) states that the analytical tools used in the descriptive statistical test include the maximum, minimum, average (mean) and standard deviation values.

b. Logistics Regression Analysis
In this study using logistic regression analysis technique because the dependent variable is qualitative data using *dummy* variables and the independent variable is a combination of metric and nonmetric (Ghozali, 2018). The analysis technique used is logistic regression with the equation model used is as follows:

$$Ln / Y = \frac{IFR}{1-IFR} = +\beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + e$$

Information:

$Ln / Y = \frac{IFR}{1-IFR}$: Dummy variable IFR timeliness (category 1 for companies reporting company information on the internet 90 days and category 0 for companies reporting company information on the internet 90 days):

X_1: Company Size
X_2: Profitability
X_3: Liquidity
X_4: Leverage
X_5: Company Registered Age
β_1 - β_5: Coefficient X
e : Standard Error / Residual error

c. Hypothesis test
1. **Partial Test (t Test)**
   0+Partial test is used to determine the effect of each independent variable on the dependent variable. The decision-making criteria is carried out with a significant level of 5%. The hypothesis is accepted if the significance level is < 5% (less than 0.05) and the hypothesis is rejected if the significance level is > 5% (Sujarweni, 2015).

RESULTS AND DISCUSSION
a) Descriptive Statistical Analysis

Table 2. Descriptive Statistics

Step	Chi-square	df	Sig.
1	11,633	8	.168

Source: SPSS version 26 Out Put Results (processed)

Based on the results of the calculations in the table, it shows that the number of observations in this study there are 45 LQ45 companies in the country of Indonesia which are the sample where 45 companies are multiplied by the period of year of observation (3 years), so the observations in this study are 145 observations (45 x 5 = 145). Based on the data acquisition, the following results are known:

1. **Company Size**
   Company size has value minimum of 0.10, with a maximum value of 0.90, while the average value (mean) of 0.3865 with a standard deviation of 0.21701

indicates a data deviation whose value is smaller than the average value, thus indicating that the data Company Characteristics variable with Company Size Indicator is normal.

2. **Profitability**

Profitability in this study has a minimum value of 0.11 with a maximum value of 0.60 while the average value (mean) is 0.2405 with a standard deviation value of 0.13915 which indicates the deviation of the data whose value is smaller than the mean, thus indicating that the data on the Company Characteristics variable with Profitability Indicators is normal.

3. **Liquidity**

Liquidity in this study has a minimum value of 1.21 with a maximum value of 5.18 while the average value (mean) is 3.0433 with a standard deviation value of 1.13434 which shows the data deviation whose value is smaller than the mean, so shows that the data on the Company Characteristics variable with Liquidity Indicators is normal.

4. **Leverage**

Leverage in this study has a minimum value of 0.18 with a maximum value of 0.61 while the average value (mean) is 0.3283 with a standard deviation of 0.12021 which indicates the data deviation whose value is smaller than the average. the average (mean) so that it shows that the data on the Company Characteristics variable with Leverage Indicators is normal.

5. **Company Registered Age**

The registered age of the company in this study has a minimum value of 11 with a maximum value of 135 while the average value (mean) is 33.25 with a standard deviation value of 31,659 which indicates the data deviation whose value is smaller than the average (mean). Thus indicating that the data on the Company Characteristics variable with the Company's Registered Age Indicator is normal.

b) Logistics Regression Analysis

1. **Assessing the Feasibility of the Regression Model**

Table 3. Results of the Hosmer and Lemeshow Test

	N	Minimum	Maximum	mean	Std. Deviation
UP	135	.10	.90	.3865	.21701
Profitability	135	.11	.60	.2405	.13915
Liquidity	135	01.21	05.18	30.433	113.434
Leverage	135	.18	.61	.3283	.12021
UT	135	11	135	33.25.00	31,659
IFR	135	0	1	.88	.335
Valid N (listwise)	135				

Source: SPSS version 26 Out Put Results (processed)

Hosmer and Lemeshow Test is a Goodness of Fit Test, which is a test to determine whether the model formed is correct or not. It is said to be appropriate if there is no significant difference between the model and the observed value. In table 3 Hosmer and Lemeshow's Goodness of Fit Test above the significance value is 0.168 > 0.05, this means that the binary logistic regression model is suitable for further analysis, because there is no significant difference between the predicted classification and the observed classification.

2. **Assessing the Overall Model (Overall Model Fit)**

Table 4. Iteration History Test Results

Iteration		-2 Logs likelihood	Coefficients Constant
Step 0	1	47,092	.900
	2	47,054	.968
	3	47,054	.969
	4	47,054	.969
a. Constant is included in the model.			
b. Initial -2 Log Likelihood: 47,054			
c. Estimation terminated at iteration number 4 because parameter estimates			

Iteration		-2 Logs likelihood	Coefficients					
			Constant	X1.1	X1.2	X1.3	X1.4	X1.5
Step 1	1	40.032	8,755	1,541	-3.283	-1.264	-12017	.004
	2	38.746	11.703	3.379	-5.694	-1,68	-16,372	.001
	3	38,594	12,757	4,597	-7.008	-1.834	-17,995	-.003
	4	38,592	12,913	4.781	-7.199	-1.858	-18,233	-.003
	5	38,592	12,915	4.783	-7.202	-1.858	-18,237	-.003
	6	38,592	12,915	4.783	-7.202	-1.858	-18,237	-.003
a. Method: Enter								
b. Constant is included in the model.								
c. Initial -2 Log Likelihood: 47,054								
d. Estimation terminated at iteration number 6 because parameter estimates changed by less than .001.								

Source: SPSS version 26 Out Put Results (processed)

The initial -2LL value was 47,054 and after entering the five indicators of the independent variable X1, the final -2LL value decreased to 38,592. This decrease in the value of -2LL indicates a good regression model or in other words the hypothesized model fits or has an effect on the data.

3. **Coefficient of Determination (Nagelkerke R Square)**

Table 5. Model Test Results Summary

Step	-2 Logs likelihood	Cox & Snell R Square	Nagelkerke R Square
1	38,592 [a]	.191	.776
a. Estimation terminated at iteration number 6 because parameter estimates changed by less than			

Source: SPSS version 26 Out Put Results (processed)

The value of Nagelkerke R Square is 0.776, which means that the variability of the dependent variable that can be explained by the independent variable is 77.6%, while the remaining 22.4% is explained by other variables outside the research model.

4. The Formed Logistic Regression Model And Hypothesis Testing

A logistic regression model can be formed by looking at the estimated value of the parameters in the Variables in The Equation. The regression model that is formed based on the estimated parameter values in Variables in The Equation is as follows:

$$Ln \ / \ Y = \frac{IFR}{1-IFR} = +\beta_1 \ X_{1.1} + \beta_2 \ X_{1.2} + \beta_3 X_{1.3} + \beta_4 \ X_{1.4} + \beta_5 X_{1.5} +$$

From the above equation it can be explained that:

1. Constant value (α) is obtained at 12,915 indicating that if the independent variable is Company Characteristics with the indicators of Company Size, Profitability, Liquidity, Leverage and Company Registered Age being zero, then the intention to carry out IFR is 12,915

2. The regression coefficient value of the X1.1 variable is Company Size (β_1)positive value, namely 4.783, this means that every increase in Company Size is 1 point, while other independent variables are fixed, it increases the intention to carry out IFR by 4.783 or in other words, the regression coefficient value for The variable of Company Characteristics with Company Size Indicator is positive, indicating that the higher the level of Company Size, the higher the intention to carry out IFR.

3. The regression coefficient value of the X1.2 variable is Profitability (β_2)a negative value, namely - 7.202 this can mean that every increase in Profitability is 1 point, while the assumption of other independent variables remains, it will reduce the intention to perform IFR by - 7.202 or in other words the regression coefficient value For the variable of Company Characteristics with Profitability Indicators, it has a negative value stating that the lower the level of profitability, the lower the intention to carry out IFR.

4. The regression coefficient value of the X1.3 variable is Liquidity (β_3)a negative value, namely - 1.858, this means that every increase in Liquidity is 1 point, while the assumption of other independent variables remains, it will reduce the intention to carry out IFR by - 1.858 or in other words the regression coefficient value for the variable Characteristics of Companies with Liquidity Indicators is a negative value stating that the lower the level of Liquidity, the lower the intention to do IFR.

5. The regression coefficient value of the X1.4 variable is Leverage (β_4)a negative value, namely - 18.237, this means that every increase in Leverage is 1 point, while the assumption of other independent variables remains, it will reduce the intention to carry out IFR by - 18.237 or in other words the regression coefficient value for the Company Characteristics variable with Leverage Indicator is negative value stating that the lower the level of Leverage, the lower the intention to perform IFR.

6. The regression coefficient value of the X1.5 variable is the Registered Age of the Company (β_5)a negative value, namely - 0.003 this can mean that every increase in the Registered Age of the Company is 1 point, while the assumption of other independent variables remains, it will reduce the intention to carry out IFR by - 0.003 or in other words On the other hand, the regression coefficient value for the Company's Characteristics variable with Company-Registered Age Indicator is negative, stating that the lower the level of Company-Registered Age, the lower the intention to carry out IFR.

The parameter estimation of the model and its significance level can be seen as follows:

Table 6. Hypothesis Test Results

		B	SE	Wald	df	Sig.	Exp(B)
Step 1 ª	X1.1	4.783	4.251	1,266	1	.260	119,506
	X1.2	-7.202	4.775	2.275	1	.131	.001
	X1.3	-1.858	.890	4.359	1	.037	156
	X1.4	-18,237	8,577	4,521	1	.033	.000
	X1.5	-.003	.016	.038	1	.846	.997
	Constant	12,915	5.664	5,2	1	.023	406.530.197

a. Variable(s) entered on step 1: X1.1, X1.2, X1.3, X1.4, X1.5.

Source: SPSS version 26 Out Put Results (processed)

Hypothesis testing is done by comparing the level of significance (sig) with the error rate (0.05) = 5%. Based on the results above, the results can be interpreted as follows:

1. The first hypothesis states that Company Characteristics with Company Size Indicators have a partial effect on the timeliness of Internet Financial Reporting on pharmaceutical companies in Indonesia for the 2019-2021 period. The test results show a significance level of 0.260 which is greater than 0.05. Based on this, it can be concluded that the variable of Company Characteristics with Company Size Indicators has no effect on the timeliness of Internet Financial Reporting.

2. The second hypothesis states that the Company's Characteristics with Profitability Indicators have a partial effect on the timeliness of Internet Financial Reporting on pharmaceutical companies in Indonesia for the 2019-2021 period. The test results show a significance level of 0.131 which is greater than 0.05. Based on this, it can be concluded that the variable of Company Characteristics with Profitability Indicators has no effect on the timeliness of Internet Financial Reporting.

3. The third hypothesis states that Company Characteristics with Liquidity Indicators have a partial effect on the timeliness of Internet Financial Reporting on pharmaceutical companies in Indonesia for the 2019-2021 period. The test results show a significance level of 0.037 which is smaller than 0.05. Based on this, it can be concluded that the variable of Company Characteristics with Liquidity Indicators has an effect on the timeliness of Internet Financial Reporting.

4. The fourth hypothesis states that Company Characteristics with Leverage Indicators have a partial effect on the timeliness of Internet Financial Reporting

on pharmaceutical companies in Indonesia for the 2019-2021 period. The test results show a significance level of 0.033 which is smaller than 0.05. Based on this, it can be concluded that the variable of Company Characteristics with Leverage Indicators has an effect on the timeliness of Internet Financial Reporting.

5. The fifth hypothesis states that Company Characteristics with Company Registered Age Indicators have a partial effect on the timeliness of Internet Financial Reporting on pharmaceutical companies in Indonesia for the 2019-2021 period. The test results show a significance level of 0.846 which is greater than 0.05. Based on this, it can be concluded that the Company Characteristics variable with the Company's Registered Age Indicator has no effect on the timeliness of Internet Financial Reporting.

DISCUSSION

1. **The Influence of Company Size on Internet Financial Reporting**

The results of logistic regression testing of company characteristics variables with company size indicators in pharmaceutical companies in Indonesia show a significance level of 0.260 above the 0.05 level of significance (5%). Thus, it can be said that the hypothesis of firm size affects the timeliness of Internet Financial Reporting (IFR) is rejected and does not affect companies in IFR reporting. The results of the tests carried out cannot support the proposed hypothesis.

Based on signal theory, large and small companies will deliberately give a signal to the public when there is good news. This is because small and large companies are trying to find investors so that small and large companies will provide information signals needed by external parties for decision making. Timeliness in the delivery of company information can be influenced by several factors, for example a sense of corporate responsibility regarding the company's financial reporting information to the public or parties who have an interest in the company.

The greater the amount of information contained in a company can be indicated by the size of a company, and also reflects the importance of information for management, both internal parties and external parties of an entity. Entities that are large or small have the same obligation to provide information about their company to the public in a timely manner. An information that is submitted in a timely manner will gain the trust of the public regarding the financial statements.

The results of this study are in line with studies Putri & Nur (2020) , Mensah (2012) ; Dafista (2015) ; Puri (2013) which states that firm size has no effect on the timeliness of IFR. However, the results of this study contradict the results of studies Kusrinanti & Syarifuddin (1973) , Abdulah et al., (2017) and Soni & Irwandi (2012) which state that firm size affects the timeliness of IFR.

2. **The Effect of Profitability on Internet Financial Reporting**

The results of testing the second hypothesis indicate that the company's profitability variable has no significant positive effect on IFR. The reason that underlies the research results is that both companies that carry out IFR and non-IFR companies ignore information about profitability in financial reporting via the internet. This is due to unstable economic conditions. Many companies whose profitability has decreased so that information about profitability is less considered by companies in their financial reporting. Low profitability does not prevent companies from carrying out IFR. Both companies with high profitability and companies with low profitability will continue to carry out IFR with the aim of showing the openness of company management in reporting company financial information. The results of this study are in line with the research conducted by Soni & Irwandi (2012) ; Anna (2016) ; Dafista (2015) ; Puri (2013) which states that profitability has no effect on the timeliness of IFR. However, the results of this study contradict the results of research Lipunga (2014) which states that profitability has an effect on the timeliness of IFR.

3. **Effect of Liquidity on Internet Financial Reporting**

The results of the Liquidity logistic regression test in this study showed a significance value of 0.037 which is smaller than the 0.05 (5%) significance level, meaning that it can be concluded that the Liquidity hypothesis has an effect on the timeliness of the IFR accepted. Liquidity refers to the use of a company's resources (ability) to meet its short-term obligations that are due in a manner that is expected to be converted into cash fairly quickly. Agency theory states that companies with low levels of liquidity ratios will provide more information to meet the demands of shareholders and creditors. Based on the signal theory, companies that have a high level of liquidity indicate good news for the company, this will later influence the company to submit reports on time because it will make the market reaction to be positive towards the company. These results are in line with research conducted by Suhareni (2016) which states that liquidity affects the timeliness of IFR. However, this study contradicts research conducted by [30] which states that liquidity has no effect on the timeliness of IFR.

4. **The Effect of Leverage on Internet Financial Reporting**

The results of Leverage logistic regression testing in this study showed a significance value of 0.033, which means the value is smaller than the significance level of 0.05 (5%) meaning that it can be concluded that the Leverage hypothesis affects the timeliness of corporate internet reporting received. Leverage refers to a company's ability to pay off long-term debt. Leverage is a debt source of funds used by the company to finance its assets outside the source of capital or equity funds.

Debt is an agreement between a company as a debtor and a creditor. In this debt agreement, it is in the company's interest to be positively assessed by creditors in terms of its ability to pay its debts. So that the existence of a debt contract agreement triggers management to improve the quality of disclosure of company financial information via the internet, including the aspect of timeliness, with the aim of showing positive performance to creditors, so as to obtain an injection of funds or to obtain a rescheduling of debt payments. This statement is supported by agency theory which explains that the higher the level of leverage, the company has an incentive to increase disclosure to stakeholders in the form of traditional disclosure media and other media, namely the disclosure of company information through the company's website (Sujarweni, 2016).

The company's ability to meet debt with its own capital/equity is called Leverage. Leverage refers to how far the company relies on creditors to finance the company's assets. According to Aulia (2017) companies that have high leverage can cause bad news for the company, so companies tend to avoid reporting financial information including on the company website, because it can affect the company's prospects in the future. The results of this study are in line with research conducted by Anna (2016) ; Dafista (2013) which states that Leverage has an effect on the timeliness of IFR. However, the results of this study contradict the research conducted by Soni & Irwandi (2012) which stated that Leverage had no effect on the timeliness of IFR.

5. **Effect of Company Age on Internet Financial Reporting**

The results of the logistic regression test of the Registered Age of the Company in this study showed a significance value of 0.846, which means the value is greater than the significance level of 0.05 (5%) meaning that it can be concluded that the hypothesis that the Company's Registered Age has an effect on the timeliness of IFR is rejected. Companies that will be listed and those that have been listed have an obligation to carry out financial reporting. Companies listed on the IDX will provide more complete financial reporting compared to other companies that have not been listed on the IDX. According to signal theory, companies that have good quality will intentionally give a signal to the public because the company is trying to find investors. Lestari & Chariri (2005) Companies with longer listings provide more publicity information than companies that have recently been listed as part of the accountability practices established by BAPEPAM. Companies that are more experienced have a tendency to change their method of reporting financial information in accordance with technological developments to attract investors through the use of IFR. Meanwhile, a company that has just gone public may have a website, but it does not necessarily practice IFR. This means that a company that has a long life is not a guarantee that the company

will have competent human resources in terms of technology to help companies carry out IFR practices. The results of this study are in line with the results of research conducted by Aulia (2017) ; Soni & Irwandi (2012) ; Sujarweni (2016) which state that the company's registered age has no effect on the timeliness of the IFR.

CONCLUSION

This study examines the timeliness of IFR which is influenced by company size, profitability, liquidity, leverage, company registered age. The analysis was carried out using logistic regression using the SPSS 26 program. The research sample data were 45 LQ45 companies listed on the Indonesia Stock Exchange for the 2019-2021 period. Based on the results of testing and discussion in the previous section, it can be concluded as follows:

1. Company Characteristics with Company Size Indicators have no effect on the timeliness of Internet Financial Reporting
2. Company Characteristics with Profitability Indicators have no effect on the timeliness of Internet Financial Reporting
3. Company Characteristics with Liquidity Indicators have a Negative Effect on the timeliness of Internet Financial Reporting
4. Leverage Indicators have a Negative Effect on the timeliness of Internet Financial Reporting
5. Company Characteristics with Company Registered Age Indicators have no effect on the timeliness of Internet Financial Reporting

Research Limitations

The limitations of the research in this study are that the research sample is only limited to LQ45 companies so that the results from this study cannot be generalized to other companies. This study only uses 5 indicators of company characteristic variables. This study only takes 3 periods from 2019-2021, and this study only uses one country object, namely Indonesia

Suggestion

The suggestions that can be given by researchers for future research are that further research can expand the sample by including manufacturing industries, banking, and other sectors, so that research conclusions can be generalized. Further research can consider using other independent variables that might affect the accuracy Internet Financial Reporting time, Extend the research period so that it can see trends that occur in the long term so that it describes the actual conditions that occur and further research can consider objects from more than 1 country.

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