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Analysis of Compliance Level of Issuers in Disclosing Corporate Information Based on Website Post Implementation of POJK No 8 of 2015

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A B S T R A C T

This study examines the effect of implementing POJK No. 8 of 2015 on the compliance of public companies in disclosing website-based corporate information in Indonesia. It examines its effect on company market performance as measured by stock prices. The population in this study all companies that carried out operational activities from 2016 to 2022. The data analysis technique used in this study was content analysis and quantitative analysis using simple regression analysis using SPSS version 25. This study used a sample of 4033 companies. The ublic from 2016 to 2022 were selected using the purposive sampling method. The results showed that website-based corporate information disclosure positively and significantly affects market performance as measured by the company's stock price.

Keywords: Stock Price, Obedience, Website-Based Corporate Information

1. Introduction

Along with the advancement of Internet technology, the use of the Internet has become massive for all people. Companies are encouraged to use the Internet to facilitate the dissemination of corporate information for investors and stakeholders. The Internet offers companies new opportunities to complement, replace and enhance various ways of communicating with investors and stakeholders (Marston & Polei, 2004). One of the ways companies use to disseminate information is by using the company's website. The company website conveys information along with all company activities, both financial and non-financial. The reason companies disclose corporate information via the web is that companies can provide corporate information at a more economical cost and can reach users with wide geographical coverage. Dissemination of corporate information via the Internet can attract investors and provide a good picture of the company (Lestari & Chariri, 2016).

Corporate Information Disclosure has developed as a fast and effective corporate information reporting medium using this website. In August 2000, the Securities and Exchange Commission (SEC) made a statement that recommended all public companies to produce and provide all legally mandated information about company performance to be provided to all interested parties at the same time (Hargyantoro, 2010). In other words, all stakeholders in the company, such as creditors, investors, analysts, and other interested parties, must have the same opportunity to obtain information. This statement from the SEC encourages more companies to use the web as their reporting medium to avoid information discrimination. Until 2006, over 70% of the world's large companies disclosed corporate information online (Akbar & Daljono, 2014).

In Indonesia, the government, through the Otoritas Jasa Keuangan (OJK), issued OJK Regulation Number 8 of 2015 concerning issuer or public company websites, intending to increase transparency while increasing stakeholder and shareholder access to essential corporate information as an application of the principles of good corporate governance by public companies. According to POJK No. 8 of 2015, it is stated that issuers are required to create a website as a medium for disclosing corporate information regularly. Accounting laws and regulations make the issuer or the public company's website reflect the issuer or the public company's identity. By this regulation, company websites are required to contain 4 mandatory information contained on the website, namely (1) general information about issuers, (2) information for investors or investors, (3) information on corporate governance, and (4) information on social responsibility.

Behind the obligation to disclose corporate information via the web, The facts show that not all companies use the web as a medium for their corporate disclosures. The study results (Almilia, 2008) show that only 211 out of 343 companies listed on the IDX have company websites. Even though most companies have websites, in reality, not all websites are active and accessible. In addition, some companies have a low level of disclosure. Research conducted (Weli, 2017) after the enactment of Kep-431/BL/2012 shows that disclosures made by companies on average is 77% consisting of 74% financial information and 84% for non-financial information. Research conducted (Sintadevi, 2020) measuring the Corporate Internet Reporting Index (CIR) between business sectors listed on the Kompas100 index shows that companies have not made maximum use of convenience obtained from developments in information technology and the internet in disclosing their information to the public. Empirical evidence on the three results of this study still shows that public companies still need to fully submit information on the company website as required by the Otoritas Jasa Keuangan (OJK).

This research differs from previous research; the researchers measured the Level of Disclosure of Corporate Information using assessment items contained in POJK No. 8 of 2015. This study attempted to see the development of company compliance in disclosing corporate information after 7 (seven) years of the publication of the POJK No 8 of 2015. This research was conducted to find out how the development of the level of disclosure of corporate information for issuers or public companies made mandatory seven years after the establishment of the regulation. In addition, this study aims to determine the effect of the corporate information disclosure level on the company's market performance.

2. Theory Basis and Hypothesis Development

Compliance Theory

Compliance theory is a theory that describes a condition in which a person/institution must comply with a regulation or order that has been given (Suhardjo, 2019). *Compliance* is defined as obedience based on the hope of a reward and an effort to avoid punishment (Kelman, 1956). The demand for compliance with the disclosure of corporate information through the company's website for companies going public in Indonesia is regulated in POJK No. 8 of 2015, which states that issuers or public companies are required to have a website with due observance of laws and regulations, and are required to present company information using Indonesian and foreign languages. Accessible to the public companies carrying out business activities need to handle various risks well, especially compliance. Compliance risk can be interpreted as a risk that arises because the company does not comply with or obey the rules and laws set by the local government. If not, the company may be subject to fines for law violations which can worsen the company's image reasons why companies should address compliance risk.

Signalling Theory

According to (Hargyantoro, 2010), signal theory explains that companies are incentivized to provide financial information to external parties. Signal theory suggests how a company should signal users of financial statements. This signal is in the form of information about what has been done by management to realize the wishes of the owner. Signals can be in the form of promotions or other information stating that the company is better than others. According to (Sulistyanto, 2008), signaling theory explains that companies use basic financial reports to give positive or negative signals to the wearer. The signal theory is related to Corporate Information Disclosure because this theory can provide reasons for signals in the form of information that companies can provide relate to the disclosure of company information. It aims to reduce the information asymmetry between companies, investors, and the public. Information asymmetry usually arises when managers know more about internal information and the company's prospects than shareholders and other stakeholders.

Financial Statements

According to (Soemarso & Rahardjo, 2018), Financial reports are an important product of information and communication components in the company's internal control system. According to (Fahmi, 2013), financial statements are information that describes a company's financial condition, which can be used to describe the company's financial performance. The objective of financial reports is to provide information regarding the financial position, financial performance, and cash flows of entities that benefit stakeholders and shareholders as management responsibilities. The rapid development of the internet created a new way for companies to communicate with investors. The internet offers various advantages, including real-time, low cost, borderless, faster, and allows for high interaction, so the internet is seen as an important reporting medium.

POJK No 8 of 2015

The issuance of POJK No. 8 of 2015 concerning Issuer or Public Company Websites is stipulated on 26 June 2015 and effective 13th as of 2 January 2016. This POJK contains 16 (sixteen) articles that generally regulate 4 (four) matters, namely, (1) general provisions, (2) information contained in the company's website, (3) punishment, and (4) transitional provisions. The disclosure of company corporate information on the company's website has become mandatory for public companies since the issuance of this regulation. This regulation was made to increase transparency and increase access to shareholders and stakeholders to essential and up-to-date information on public companies. As an application of the principles of good corporate governance by public companies, transparency through information disclosure by public companies needs to be carried out by utilizing technological developments. In web-based financial reporting, companies must include information open to the public, actual, and up-to-date. The information presented must be correct and clear to the reader regarding the issuer's and public company's state. In addition, information must also be accessible to all parties.

Company Market Performance

According to (Sudana, 2015), market performance can be interpreted as the extent to which a company increases the value of company shares that have been traded in the capital market. Market performance can be measured using several indicators, one of which is the company's stock price. According to (Jogiyanto, 2000), the stock price is the price that occurs on the stock market at a certain time determined by market participants and determined by the demand and supply of the shares concerned in the capital market. In general, the stock price is the value of shares in the market or the market value of shares, which varies from time to time depending on the company's performance in the future. Stock prices can increase or decrease due to demand and supply due to factors such as company performance, economic conditions, political conditions, and rumors that develop.

Hypothesis Development

Corporate Information Disclosure is the dissemination of corporate information via the Internet or websites that can attract investors and provide a good picture of the company Lowengard (1997) (Lestari & Chariri, 2007). Based on POJK No 8 of 2015, information that issuers or public companies must disclose includes (1) general information on issuers, (2) information for investors or investors, (3) information on governance, and (4) information on corporate social responsibility. By disclosing corporate information via the Internet, especially the company's website, investors can quickly access the latest company information via the Internet. Some companies have even allowed their website visitors to register as members to get special information via personal e-mail about newsletters and some of the latest company information. An important element in disclosing corporate information via the Internet is the degree or quantity of disclosure (Ashbaugh, 1999). The higher the level of information disclosure in quantity or transparency, the greater the impact of disclosure on investor decisions. Websites provide information faster than other conventional information media, and information via the Internet can affect stock prices to fluctuate until the stock reaches a position that reflects information that has just entered the market.

H1: The website-based Corporate Information Disclosure Level positively affects the company's stock price.

3. Methodology

Research design

In this study, researchers used quantitative research methods by examining the compliance of public companies in disclosing website-based corporate information according to POJK No. 8 of 2015 and its effect on market performance as measured by the company's stock price. Determination of the sample selected by using the probability-purposive sampling method, with the following criteria:

1. The selected sample is all public companies that carried out operational activities from 2016 to 2022, listed on the Indonesian Stock Exchange.

2. The selected public companies are companies that disclose corporate information on websites registered at IDX.co.id

3. Each sample has the necessary conditions for conducting research.

Operational Definitions and Variable Measurement

Dependent Variable

The dependent variable in this study is market performance as measured by the company's stock price. According to (Sudana, 2015), market performance can be interpreted as the extent to which a company increases the value of company shares that have been traded in the capital market. The stock market's performance has several measurement indicators, including the stock price. Share price is the value of shares in the market, commonly called the market value of shares, which changes from time to time depending on the company's performance in the future. Stock prices can increase or decrease due to demand and supply due to many factors, such as company performance, economic conditions, political conditions, and rumors that develop. Share prices in this study are taken from all companies listed on the Indonesia Stock Exchange in 2022.

Independent Variable

The independent variable in this study is the Level of Corporate Information Disclosure where the Measurement of the Level of Corporate Information Disclosure is carried out by analyzing the contents of the company website, giving a score for each item of information disclosed on the company website and adding up the score for each component according to what is stated in the regulations. The measuring instrument in this research is the corporate information disclosure index which is obtained by dividing the score by the maximum score. The maximum score obtained by the company is the total indicator items from 4 (four) research calculation variables with a maximum number of points of 31. With this calculation formula, the more disclosure items presented, the higher the corporate information disclosure score obtained.

Data Analysis Method

This study uses a simple linear regression analysis model to analyze the relationship between independent variables, such as the level of website-based corporate information disclosure, with the dependent variable, namely market performance, as measured by the company's stock price. Based on operational definitions and variable measurements, the equations used in this study are obtained as follows:

$$Y = \alpha + \beta X + e$$

Details:

Y = Company Share Price

α = Constant Value

β = Regression Coefficient Value

X = Corporate Information Level

e = Standard Error

4. Results and Discussion

Research Population

Table 1 - Research Sample Determination Process

No	Criteria	Total
1	Companies listed on the IDX for the 2022 period	825
2	Total public companies that do not have a company website until December 31, 2022	49
3	Total public company whose company website can not accessed	22
The number of research samples determined		754

Based on the sample determination process shown in the table above, it can be seen that the sample used in this study totaled 4033 public companies listed on the Indonesia Stock Exchange from 2016 to 2022. Meanwhile, the sample that underwent a simple linear regression test totaled 754 companies in 2022. All samples that have been determined have met the established criteria and follow the analysis needs of this study.

Result of Descriptive Statistical Analysis

Table 2 – Result of Descriptive Statistical Analysis

			Descriptive Statistics		
	N	**Minimum**	**Maximum**	**Mean**	**Std. Deviation**
Corporate Information Disclosure Level (2016 to 2022)	4033	.00	100.00	46.8468	19.70548
Corporate Information Disclosure Level 2022 (X)	754	6.45	100.00	50.1283	18.56374
Stock Price (Y)	754	28	94500	15245.769	4921.4069
Valid N (Listwise)	754				

Table 2 shows that the website-based Corporate Information Disclosure Level variable from 2016 to 2022 shows a minimum value of 0.00, so several public companies do not disclose corporate information on the company's official website. The maximum value obtained from the website-based Corporate Information Disclosure Rate variable from 2016 to 2022 is 100.00, namely PT Asahimas Flat Glass Tbk (AMFG) from the Basic Industry and Chemical sector, Ceramics, Porcelain & Glass sub-sector. The average web-based Corporate Information Disclosure Rate (TPIK) variable from 2016 to 2022 shows a value of 45.8468 with a standard deviation of 19.70548. shows that the website-based corporate information disclosure level from 2016 to 2022 still needs to be higher in Indonesia. Whereas for the 2022 TPIK variable, the minimum value is 6.45, namely PT Sinergi Megah Internusa Tbk (NUSA) from the Trade, Services & Investment sector, the Restaurant, Hotel & Tourism sub-sector. The maximum value obtained from the TPIK variable 2022 is 100, namely PT Asahimas Flat Glass Tbk (AMFG) from the Basic Industry and the Chemicals sector, the Ceramics, Porcelain & Glass sub-sector. Furthermore, for the dependent variable, the share price has a minimum value of 28 by PT Nanotech Indonesia Global Tbk (NANO), while the maximum value was 94,500 by PT Bayan Resources (BYAN) in 2022

Classical Assumption Test Results

1. Normally Test Results

Table 3 – Normally Test Results

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		754
Normal Parameters [a,b]	Mean	.0000000
	Std. Deviation	4800.07961160
Most Extreme Differences	Absolute	.283
	Positive	.283
	Negative	-.259
Test Statistic		.283
Asymp. Sig. (2-tailed)		.000[c]

From Table 3, it can be seen that the Kolmogorov-Smirnov test shows a significance value of Asymp. Sig. (2-tailed) of 0.000. shows that the significance value is less than 0.05. means that the data in the model used is not normally distributed. Meanwhile, seen from Table 3 the Normal P-75 plot shows that the number of points representing the sample in the regression model spreads in various directions to represent an abnormal distribution pattern. According to (Ajija, 2011), a normality test is needed when the number of observations is less than 30 data samples. The normality test determines whether the error term is close to a normal distribution. If the number of observational data is more than 30, then the distribution of the sampling error term is close to normal. The research data is 754 with an abnormal distribution, so it uses the Central Limit Theorem assumption where the data is more than 30, so there is no need to do a normality test, and it can be ignored (Ajija, 2011).

2. Multicollinearity Test Results

Table 4 - Multicollinearity Test Result

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Corporate Information Disclosure Level 2022 (X1)	1.000	1.000

Table 4 above shows that the VIF (Variance Inflations Factors) value in the multicollinearity test results above shows a value of less than 10 on the independent variable, namely the Corporate Information Disclosure Level variable of 1.00 So that the VIF shown in the test results, the independent variables in this study do not experience multicollinearity problems.

3. Heteroscedasticity Test Results

Table 5 - Heteroscedasticity Test Result

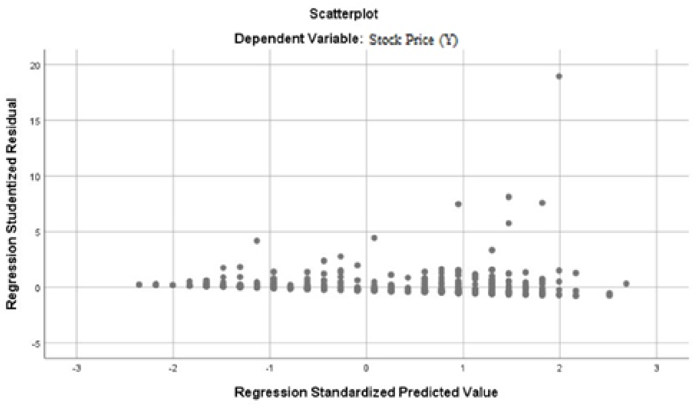

Fig. 1 - Grafik Scatterplot

The scatterplot graph in the model above shows that the dots do not form a regular pattern and spread above and below the number 0 on the Y-axis (Ghozali, 2016). indicates that there are no symptoms of heteroscedasticity. Thus, the first regression model in this study does not experience heteroscedasticity problems.

Hypothesis Test Results

1. Coefficient of Determination

Table 6 – Coefficient of Determination

Model	Model	R Square	Adjusted R Square	Std. Error of the Estimate	Conclusion
1	.221[a]	.049	.047	4803.27009	The independent variable affects the dependent variable by 0.049

Table 6 shows that the achievement of the coefficient results (adjusted R2) is 0.049 or 4.9%. This means that the independent variable in this study, namely TPIK (X), can influence the dependent variable or stock price (Y) by 4.9%. While variables and other factors outside this research model explain the remaining 95.1%.

2. Hypothesis Testing

Table 7 – Hypothesis Testing

Coefficients [a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	-1408.094	503.999		-2.794	.005
	Corporate Information Disclosure Level 2022	58.503	9.429	.221	6.204	.000

a. Dependent Variable: Stock Price (Y)

In Table 7, the results of the SPSS 25 program analysis show that the TPIK variable (X) positively influences the Stock Price variable (Y). can be seen from the level of significance in the t-test results, which is smaller than 0.05, which is equal to 0.000. So the H1 hypothesis relating to the influence of the level of disclosure of corporate information has a positive effect on stock prices is accepted. Thus, H1 is accepted

Discussion

Based on the results of data processing in SPSS 25, the linear regression equation is obtained as follows:

Y= -1408.094 + 58.503 X + e

A constant value of -1408,094 means that the independent variable does not affect the company's stock price variable. The TPIK variable has a regression coefficient with a positive value of 58,503. This means a unidirectional relationship exists between the TPIK performance of public companies and the company's stock price. So that when TPIK increases by one per unit, it will increase the public company's stock price by 58,503, assuming other variables do not change.

The linear regression test results showed that the TPIK variable (X) coefficient value was 58.503, with a significance value of 0.00. The coefficient value of 58.503 indicates a positive direction. Because the value of the count is greater than the table (58.503 > 1.963) and the significance value is greater than alpha (0.000 <0.05), the hypothesis is accepted. This means that the Corporate Information Disclosure Level (IPIK) positively affects market performance as measured by the company's stock price. The results of this study are in line with research (Marsudi, 2015), (Nurlatifah, 2023) and (Sari & Julianto, 2023) in Lai et al. (2010) states that disclosures made by companies through websites will provide added value information to investors and will cause stock prices to change. When company information is disseminated quickly by companies through websites, investors react quickly, and this will reduce information asymmetry.

These results are by the signal theory, where disclosure of corporate information gives a positive signal to the company's market performance which is reflected in the stock price. This is because disclosure of corporate information reduces information asymmetry between companies, investors, and the public; with reduced information asymmetry, discrimination against information for investors becomes lower. When investors receive information, they will immediately react to it, whether to buy, sell the shares they own, or hold on to the existing ones. When a group of investors jointly perform a certain action on a stock, the share price in the market will change. So, companies that practice corporate information disclosure will have a higher trading price than companies that do not disclose corporate information.

5. Conclusion and Suggestion

Conclusion

Based on the research objectives and the results of the content analysis test that has been carried out and explained in the previous chapter, it can be concluded that the results of the simple linear regression test show that the coefficient value of the IPIK variable (X) is 58.503 with a significance value of 0.00. The coefficient value of 58.503 indicates a positive direction. Because the t count is greater than t table (58.503 > 1.963) and the significance value is greater than alpha (0.000 <0.05), the hypothesis is accepted. This means that TPIK positively affects the company's market performance as measured by the share price with a coefficient level of 0.049 or 4.9% of the share price.

Suggestion

Based on the conclusions and limitations that have been described in this study, the researcher provides suggestions as an improvement effort for further research, which is explained as follows:

1. Further research is recommended to complete the number of research samples, expand the observation period, and make more comprehensive index calculations to obtain and produce more valid and accurate research.

2. It is hoped that further research can use different stock price sampling periods and stock frequencies in order to obtain better research conclusions

3. It is recommended for further research to be able to use new variables or add research variables. So that adds an element of novelty related to any factors that can influence companies in conducting and expanding information disclosure corporation.

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