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DAFTAR ISI

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PENGARUH *DEBT TO EQUITY RATIO, PRICE EARNING RATIO, EARNING PER SHARE, PRICE TO BOOK VALUE* TERHADAP *RETURN* SAHAM SELAMA MASA PANDEMI COVID-19 (STUDI PADA PERUSAHAAN YANG AKTIF TERDAFTAR DALAM LQ45 TAHUN 2019-2021)

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Abstract— *The existence of Covid-19 caused the economy in Indonesia to become unstable, this caused the performance of the LQ45 stock index to experience a decline. This study's goal was to examine how financial ratios affected stock returns during the Covid-19 pandemic. The population of this study is the LQ45 Index which is found on the Indonesia Stock Exchange in 2019-2021 with a total of 54 companies. The samples used were 25 companies selected using purposive sampling method. This study uses secondary data obtained from annual reports published on the official website of the Indonesia Stock Exchange and the company's official website. Data analysis techniques use descriptive statistics and panel data regression. The results of this study indicate that the Debt to equity ratio (DER) and price earning ratio (PER) partially have no effect on stock returns. Meanwhile, earnings per share (EPS) and price to book value (PBV) have a positive effect on stock returns. Simultaneous test results show that the Debt to equity ratio (DER), price earning ratio (PER), earnings per share (EPS) and price to book value (PBV) have a positive effect on stock returns.*

Keywords: Debt to Equity Ratio (DER); Earnings per Share (EPS); Price Earning Ratio (PER); Price to Book Value (PBV); Stock Returns

1. PENDAHULUAN

1.1 Latar Belakang

Aktivitas di pasar modal suatu negara memberikan wawasan tentang keadaan ekonomi negara tersebut. Termasuk penanaman modal dalam dan luar negeri baik penanaman modal langsung maupun tidak langsung dimana hal ini berdampak pada sistem perekonomian di Indonesia. Pada saat ini perekonomian Indonesia sedang berada pada kondisi yang kurang stabil akibat pandemi Covid-19 yang melanda seluruh dunia. Namun kondisi ini masih bisa teratasi oleh pasar modal Indonesia yang semakin berkembang.

Bursa Efek Indonesia meluncurkan Indeks Saham LQ45 pada tahun 1997. Indeks saham LQ45 akan menentukan indeks rata-rata dari 45 saham dengan kapitalisasi pasar tertinggi dan nilai likuiditas tertinggi. Selain itu, indeks ini dibuat untuk mendukung Indeks Harga Saham Gabungan (IHSG). Selain itu, tujuannya juga untuk memberikan sarana yang obyektif bagi analis keuangan, investor, manajer investasi, serta pengamat pasar modal. Namun pada saat pandemi covid-19 Sejak awal tahun 2020, Indeks Harga Saham Gabungan (IHSG) yang menjadi acuan indeks pasar modal Indonesia secara keseluruhan mengalami penurunan sebesar 20,56%. Sementara itu, Indeks LQ45 dimana indeks ini merupakan benchmark pasar modal Indonesia terlihat mengalami penurunan tingkat likuiditas sebesar 24,67%. Penelitian yang dilakukan oleh Mulyadi et al., (2020) Kinerja saham anjlok selama pandemi Covid-19. Penurunan kinerja juga terlihat pada harga saham LQ45. Namun mulai pulih dan bangkit dari fase epidemi pada tahun 2021. Setelah mengalami penurunan sepanjang pandemi tahun 2020, hal tersebut terbukti menjelang akhir tahun 2021 yang diakhiri dengan kinerja baik Indeks Harga Saham Gabungan (IHSG) mencapai 6.581,5 atau naik 10,1% (yoy).

Pada situasi yang tidak pasti ini pasar modal Indonesia tetap memberi peluang bagi perusahaan untuk menarik investor dan sumber pendanaan, seperti yang terjadi di bursa saham tempat bursa saham yang sudah *go public* dipertukarkan. Menurut Darmayanti et al., (2021) Karena harga saham dijadikan sebagai tolok ukur dalam menganalisis yield atau return saham, maka pasar modal dapat berdampak pada harga saham. Memberi investor sinyal untuk berinvestasi guna memperluas ukuran ekonomi nasional adalah salah satu cara bisnis dapat memenuhi kebutuhan finansial mereka. Dengan harapan menerima return di masa depan, investor menginvestasikan aset atau keuangan yang dimiliki perusahaan dalam jangka waktu yang cukup lama. Rasio-rasio keuangan dapat digunakan untuk menjelaskan kekuatan dan kelemahan keuangan perusahaan serta mempunyai peranan untuk memprediksi harga atau *return* saham di pasar modal. Rasio keuangan memberikan wawasan tentang keberhasilan perusahaan. Harga saham perusahaan naik karena kinerja keuangannya baik. Hal ini diantisipasi bahwa investor akan menerima pengembalian saham yang signifikan dengan harga saham yang tinggi. Berdasarkan Surat Keputusan Ketua Bapepam Nomor KEP-51/PM/1996 tanggal 17 Januari 1996 (BEJ), perusahaan yang akan go public wajib mengungkapkan rasio keuangan yang relevan.

Rasio solvabilitas adalah rasio yang dapat menilai nilai aset yang dimiliki organisasi dengan jumlah kewajiban yang ada. Dalam penelitian ini menggunakan *Debt to Equity Ratio* (DER) Struktur risiko tidak tertagihnya hutang dapat dilihat karena rasio ini menggambarkan struktur modal yang dimiliki oleh perusahaan. Penelitian ini menggunakan DER karena rasio ini dapat mengukur kemampuan perusahaan untuk melunasi hutangnya dengan modal yang mereka miliki (Ika & Listiorini, 2020). Didukung penelitian yang dilakukan oleh (Lazuardy Sidarta et al., 2021) hasilnya mengatakan DER memiliki pengaruh terhadap *return* saham.

Rasio yang digunakan untuk menentukan nilai saham dikenal dengan istilah rasio pasar (*market ratio*) atau rasio saham (Husnan, 2006). Dalam penelitian ini menggunakan *Price Earning Ratio* (PER) sebagai pengukur kemampuan nilai saham. Salah satu metode paling populer untuk mengukur seberapa baik kinerja saham biasa di bursa saham adalah PER, atau rasio pengembalian saham. PER yang tinggi menunjukkan bahwa pemegang saham memiliki sedikit kemampuan untuk menutup nilai saham mereka.

Selain PER, rasio pasar yang digunakan adalah *Earning Per Share* (EPS) dimana rasio ini menunjukkan laba bersih per saham yang akan dibagikan kepada masing-masing pemegang saham perusahaan. Jika EPS meningkat, lebih banyak investor yang tertarik akan membeli saham tersebut, sehingga menaikkan harga saham. Hal ini didukung oileh penelitian yang dilakukan oleh Suryo & Wirawan Yasa, (2021) menyebutkan *return* saham dipengaruhi secara positif oleh *earning per share*. Ini menyiratkan bahwa pengembalian saham perusahaan akan meningkat secara proporsional dengan laba per sahamnya.

Rasio pasar selanjutnya adalah Price to Book Value (PBV). Menurut Rahardjo (2009) PBV adalah pembagian harga pasar per lembar saham dengan nilai buku per lembar saham. Rasio ini menimbang biaya investasi terhadap nilai pasarnya bagi perusahaan. Angka kurang dari 1 menunjukkan bahwa perusahaan tersebut tidak berhasil meningkatkan nilai pemegang saham. Penelitian yang dilakukan oleh Anggi Saputri et al., (2021) *price book value* (PBV), berpengaruh terhadap *return* saham.

Penelitian ini menggunakan sampel dari perusahaan yang aktif terdaftar dalam index LQ45 selama masa pandemi Covid-19 yaitu tahun 2019-2021. Peneliti mengambil sampel perusahaan yang aktif terdaftar dalam index LQ45 dikarenakan saham yang terdaftar merupakan saham yang memiliki liquiditas tinggi, namun dikarenakan pandemi covid-19 saham indeks LQ45 sempat merosot. Disisi lain Indeks LQ45 terus diminati oleh investor karena kapitalisasinya yang tinggi, yang mengarah pada peningkatan peluang pertumbuhan bisnis dan kesehatan keuangan saham. Penelitian ini bertujuan untuk meneliti lebih lanjut setiap variabel penelitian apakah ada pengaruh *Debt to Equity Ratio* (DER), *Price Earning Ratio* (PER), *Earning Per Share* (EPS), dan *Price to Book Value* (PBV) terhadap *return* saham Selama Masa Pandemi Covid-19.

1.2 Rumusan Masalah

Berdasarkan latar belakang penelitian, maka rumusan masalah penelitian ini adalah sebagai berikut:

1. Apakah *Debt to Equity Ratio* (DER) Berpengaruh Negatif terhadap *Return* Saham Selama Masa Pandemi Covid-19?
2. Apakah *Price Earning Ratio* (PER) Berpengaruh Positif terhadap *Return* Saham Selama Masa Pandemi Covid-19?
3. Apakah *Earning Per Share* (EPS) Berpengaruh Positif terhadap *Return* Saham Selama Masa Pandemi Covid-19?
4. Apakah *Price to Book Value* (PBV) Berpengaruh Positif terhadap *Return* Saham Selama Masa Pandemi Covid-19?
5. Apakah *Debt to Equity Ratio* (DER), *Price Earning Ratio* (PER), *Earning Per Share* (EPS) dan *Price to Book Value* (PBV) Berpengaruh Positif terhadap *Return* Saham Selama Masa Pandemi Covid-19?

1.3 Landasan Teori

1.3.1 Teori Sinyal (*Signalling Theory*)

Pada tahun 1943, Michael Spence menulis sebuah buku berjudul "*Job Market Signaling*" yang memperkenalkan konsep sinyal. Menurut teori ini, informasi internal manajemen, sangatlah penting. Stakeholder eksternal perusahaan dapat memanfaatkan informasi yang dikeluarkan oleh manajemen sebagai alat untuk membantu mereka membuat keputusan investasi. Infromasi manajemen salah satunya adalah laporan tahunan perusahaan.

Sebagai hasil evaluasi dan interpretasi awal oleh investor atas semua informasi yang dikeluarkan oleh manajemen perusahaan, terlepas dari apakah informasi tersebut dikategorikan sebagai sinyal positif atau sinyal buruk, setiap informasi yang dikeluarkan oleh manajemen perusahaan akan berdampak pada variasi volume perdagangan saham. Hartono (2010)

1.3.2 *Portofolio Theory*

Harry M. Markowitz pertama kali menggunakan istilah teori portofolio dalam bukunya " *portofolio selection* " dari tahun 1952. Membangun portofolio sangat penting dalam hal investasi, menurut Markowitz. Portofolio adalah sekelompok sekuritas yang telah disusun menurut laporan keuangan dan informasi lain yang diperoleh, dan investor kemudian menilainya untuk menentukan berapa banyak uang yang akan diinvestasikan di perusahaan.

Untuk menurunkan risiko yang akan ditanggung di masa depan, investor menganalisis data yang telah disediakan oleh manajemen perusahaan.

1.3.3 Efficient market theory

Saat memilih portofolio dengan ekspektasi risiko yang lebih rendah atau terendah, Markowitz (1952) mengilustrasikan hubungan antara kepercayaan dan preferensi investor. Pasar yang efisien menurut Fama (1998) adalah pasar yang memberikan informasi harga saham yang sempurna kepada investor. Penjelasan ini mengarah pada kesimpulan bahwa pandemi *covid-19*, di mana *return* saham berhubungan positif dengan risiko sistematis dijelaskan oleh pasar modal yang efisien. Ini menyiratkan bahwa investor akan kurang tertarik untuk berinvestasi di perusahaan ketika perusahaan tersebut hanya memberikan sedikit informasi tentang pengembalian sahamnya kepada investor.

1.3.4 Rasio Solvabilitas

Rasio solvabilitas adalah rasio yang membandingkan nilai aset perusahaan dengan jumlah total kewajibannya. Perusahaan dianggap sehat jika dapat mengalokasikan aset sekaligus memenuhi kewajiban utangnya (Lazuardy Sidarta et al., 2021). Dalam menganalisa rasio ini dapat menggunakan salah satu rasio turunannya yaitu *debt to equity ratio* (DER). DER adalah rasio utang terhadap ekuitas dimana rasio ini sangat membantu dalam menentukan berapa banyak uang yang telah diinvestasikan di perusahaan. Jika DER tidak berlebihan, suatu perusahaan dapat dianggap sehat. Perusahaan dianggap aman dan sehat bagi investor modal untuk berinvestasi jika nilai perbandingan ini lebih rendah

1.3.5 Rasio Pasar

Rasio Pasar adalah rasio yang digunakan untuk menilai bagaimana harga pasar dibandingkan dengan nilai buku. Menurut Robert Ang (1997) rasio ini menunjukkan informasi perusahaan yang signifikan yang disediakan berdasarkan per saham. Meskipun pihak internal perusahaan juga memiliki kepentingan terhadap rasio-rasio tersebut, namun sudut pandang rasio ini berpusat terutama pada sudut pandang investor atau calon investor (Suryo & Wirawan Yasa, 2021). Sebelum membuat keputusan investasi, investor dapat menggunakan rasio pasar untuk mengidentifikasi saham dengan potensi pengembalian dividen yang tinggi dengan menentukan seberapa mahal atau murahnya saham tersebut. Hasil dari serangkaian rasio yang disebut rasio pasar, yang menghubungkan harga saham dengan pendapatan, nilai buku per saham, dan dividen, dapat memberikan petunjuk kepada investor mengenai apa yang dipikirkan mereka tentang kesuksesan perusahaan sebelumnya dan potensi masa depan (Moeljadi, 2006:75).

Rasio pasar yang digunakan dalam penelitian ini adalah *Price Earning Ratio* (PER). Salah satu metode paling populer untuk mengukur seberapa baik kinerja saham biasa di bursa saham adalah PER, atau rasio pengembalian saham. Semakin tinggi harga saham terhadap laba bersih per saham yang diprediksikan dengan meningkatnya PER akan meningkatkan pendapatan saham investor. Rasio pasar selanjutnya adalah *Earning Per Share* (EPS), *Earnings per share* (EPS) atau laba per saham, sebagaimana didefinisikan oleh Kasmir (2012), adalah rasio yang digunakan untuk menilai keberhasilan manajemen dalam menghasilkan laba bagi pemegang saham. Dimana semakin tinggi kemampuan perusahaan untuk merealisasikan laba bersih dari setiap lembar sahamnya ditunjukkan dengan semakin tingginya EPS. Peningkatan EPS menunjukkan bahwa perusahaan telah berhasil meningkatkan kemakmuran investor untuk meningkatkan modal yang diinvestasikan. Rasio pasar yang terakhir adalah *Price to Book Value* (PBV) Menurut Saraswati (2020), semakin tinggi rasio PBV, semakin tinggi nilai perusahaan oleh investor dibandingkan dengan uang yang diinvestasikan di perusahaan. Jika sebuah perusahaan dinilai lebih tinggi dari investor, harga saham akan naik di pasar, demikian juga pengembalian saham.

1.3.6 *Return* Saham

Pengembalian saham adalah hasil dari investasi. Menurut Tandelilin (2010), return merupakan salah satu kualitas yang memotivasi investor untuk melakukan investasi dan berfungsi sebagai kompensasi atas keinginan mereka untuk menerima risiko. *Return* dapat berupa *return* realisasi yang telah terjadi atau *return* prediksi yang belum terjadi tetapi diproyeksikan akan terjadi di masa depan. Jogiyanto (2010) *Return* yang realisasi adalah *return* yang sudah terjadi. *Return* yang direalisasikan dihitung dengan menggunakan data historis. *Return* ini signifikan karena digunakan sebagai ukuran keberhasilan perusahaan dan sebagai dasar untuk menghitung ekspektasi dan risiko pengembalian di masa depan

1.3.7 Perumusan Hipotesis

Pengaruh Debt to Equity Ratio (DER) terhadap Return Saham Selama Masa Pandemi Covid-19

Rasio total utang terhadap total ekuitas meningkat seiring dengan peningkatan DER. Tingkat risiko investor akan meningkat sebagai akibat dari DER yang lebih besar, yang juga akan mengungkapkan komposisi utang secara keseluruhan yang meningkat relatif terhadap total ekuitas dan akan mengakibatkan jatuhnya harga saham. Investor akan dapat menentukan beban utang perusahaan berkat DER. Tingkat utang yang tinggi menempatkan perusahaan pada resiko yang lebih besar, yang akan menghalangi investor untuk melakukan investasi dan menurunkan harga saham dan *return* saham. Dalam penelitian Aini et al., (2020) bahwa *debt to equity ratio* berpengaruh negatif signifikan terhadap *return* saham, artinya banyak investor akan menjual saham perusahaan yang bersangkutan karena mereka percaya bahwa perusahaan dengan nilai hutang yang besar akan memiliki kemungkinan yang lebih kecil untuk menghasilkan keuntungan. Berdasarkan uraian yang diberikan hipotesis yang dapat dibangun adalah sebagai berikut:

H_1 : *Debt to Equity Ratio* (DER) Berpengaruh Negatif terhadap *Return* Saham Selama Masa Pandemi *Covid-19*

Pengaruh *Price Earning Ratio* (PER) terhadap *Return* Saham Selama Masa Pandemi *Covid-19*

Prospek harga saham suatu perusahaan ditunjukkan oleh PER yang mengukur seberapa besar investor menilai laba per saham perusahaan. Investor akan dapat mengukur besar atau kecilnya kemungkinan harga saham bagi perusahaan. Lebih banyak investor ingin memasukkan uang mereka ke dalamnya karena semakin besar. Akibatnya baik harga saham maupun pengembalian naik. Penelitian yang dilakukan oleh Putri Hartaroe et al., (2018) Menunjukkan bahwa PER berpengaruh signifikan terhadap return saham dan mempunyai hubungan yang positif. Artinya semakin tinggi PER maka semakin tinggi pula tingkat return saham yang diharapkan pemodal. Berdasarkan uraian yang diberikan hipotesis yang dapat dibangun adalah sebagai berikut:

H_2 : *Price Earning Ratio* (PER) Berpengaruh Positif terhadap *Return* Saham Selama Masa Pandemi *Covid-19*

Pengaruh *Earning Per Share* (EPS) terhadap *Return* Saham Selama Masa Pandemi *Covid-19*

Bagi manajemen dan investor, EPS merupakan indikator penting dari kinerja keuangan perusahaan. Dimana semakin tinggi kemampuan perusahaan untuk merealisasikan laba bersih dari setiap lembar sahamnya ditunjukkan dengan semakin tingginya EPS. Investor berharap perusahaan dapat menawarkan dividen per saham yang cukup besar diikuti dengan kenaikan *return* saham jika mampu meningkatkan laba per saham. Penelitian yang dilakukan oleh (Febriyani Umar et al., 2022) Mengatakan selama wabah Covid-19, perusahaan-perusahaan di sektor industri produk dan konsumsi yang terdaftar di BEI *earning per share* berpengaruh signifikan terhadap *return* saham.. Berdasarkan uraian diatas hipotesis yang dapat dikembangkan adalah:

H_3 : *Earning Per Share* (EPS) Berpengaruh Positif terhadap *Return* Saham Selama Masa Pandemi *Covid-19*

Pengaruh *Price to Book Value* (PBV) terhadap *Return* Saham Selama Masa Pandemi *Covid-19*

PBV ditentukan dengan membandingkan harga pasar saham dengan nilai buku per sahamnya. Perusahaan lebih berhasil menghasilkan nilai bagi pemegang saham ketika PBV lebih tinggi. Investor akan dapat menggunakan informasi ini untuk menentukan nilai perusahaan. Semakin banyak investor bersedia untuk berinvestasi semakin baik nilai perusahaan. Dengan cara ini, harga saham akan meningkat diikuti *return* saham yang juga meningkat. Dalam penelitian Luh Gde Novitasari, (2017) Hasil analisis menunjukkan bahwa *price to book value* (PBV) berpengaruh positif terhadap *return* saham. PBV perusahaan yang lebih tinggi berarti saham tersebut lebih diminati oleh investor, sehingga harga saat ini cenderung lebih tinggi dari harga saham pada saat pembelian. Ketika selisih harga jual dan beli tinggi, maka akan menghasilkan return yang tinggi pula. Peningkatan rasio PBV menunjukkan bahwa nilai pasar saham lebih tinggi dari nilai buku perusahaan. Berdasarkan uraian diatas, hipotesis yang dapat dikembangkan adalah:

H_4 : *Price to Book Value* (PBV) Berpengaruh Positif terhadap *Return* Saham Selama Masa Pandemi *Covid-19*

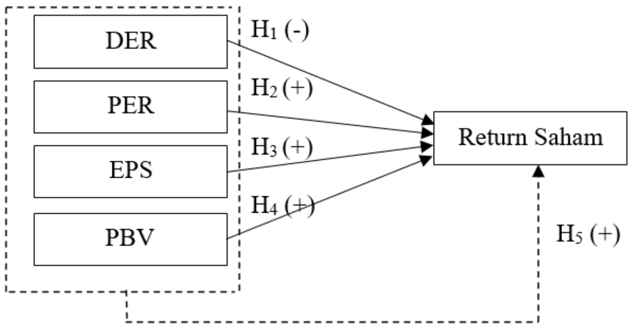
Pengaruh *Debt to Equity Ratio* (DER), *Price Earning Ratio* (PER), *Earning Per Share* (EPS), *Price to Book Value* (PBV) terhadap *Return* Saham Selama Masa Pandemi *Covid-19*

Hasil investasi investor selama periode waktu tertentu disebut sebagai *return*, yang meliputi *dividend yield* dan *capital gain (loss)* (Jogiyanto, 2003). Capital gain (loss) merupakan selisih untung (rugi) dari harga investasi sekarang relatif dengan harga periode yang lalu. Nilai capital gain secara signifikan ditentukan oleh harga pasar dari instrumen investasi tertentu, yang mengharuskan adanya perdagangan pasar, sehingga wajar saja tidak semua ekuitas menawarkan return dalam bentuk capital gain. Karena pergerakan tersebut, nilai suatu instrumen investasi akan bervariasi.

Laporan keuangan menurut Veronica Sinaga, (2022) dapat digunakan untuk meramalkan masalah keuangan perusahaan, hasil dari kegiatan operasional, dan keberhasilan kinerja keuangan perusahaan di masa lalu dan masa depan, serta panduan bagi investor untuk digunakan saat mengambil keputusan tentang kinerja perusahaan di masa lalu dan masa depan serta penilaian bisnis. Salah satu pendekatannya adalah dengan memanfaatkan rasio keuangan untuk menilai apakah data dalam laporan keuangan yang dihasilkan dapat digunakan untuk meramalkan harga saham atau *return* saham di pasar modal, termasuk kesehatan keuangan perusahaan di masa yang akan datang. Rasio yang digunakan dalam penelitian ini adalah *Debt to Equity Ratio* (DER), *Price Earning Ratio* (PER), *Earning Per Share* (EPS), *Price to Book Value* (PBV). Berdasarkan uraian diatas, hipotesis yang dapat dikembangkan adalah:

H_5 : *Debt to Equity Ratio* (DER), *Price Earning Ratio* (PER), *Earning Per Share* (EPS) dan *Price to Book Value* (PBV) Berpengaruh Positif terhadap *Return* Saham Selama Masa Pandemi *Covid-19*

1.3.8 Model Penelitian



Gambar 1. Model Penelitian

2. METODOLOGI DAN ANALISIS DATA

2.1 Populasi dan Sampel

Penelitian ini merupakan jenis penelitian kuantitatif, dengan tekhnik pengambilan sampel yang dilakukan secara *purposive sampling.* Jenis data dalam penelitian ini adalah data sekunder menggunakan laporan keuangan tahunan yang diperoleh dari website resmi *www.idx.co.id* dan website perusahaaan. Penelitian ini dilakukan pada perusahaan yang terdaftar pada Index LQ45 di Bursa Efek Indonesia (BEI) periode 2019-2021 dengan total perusahaan yang terdaftar sebanyak 54 perusahaan. Kriteria yang ditetapkan dalam penentuan sampel adalah sebagai berikut:

Tabel 1. Proses Seleksi Sampel berdasarkan Kriteria

No.	Kriteria	Jumlah
1	Perusahaan yang terdaftar di Index LQ45 di Bursa Efek Indonesia selama periode penelitian tahun 2019-2021	54
2	Perusahaan yang aktif terdaftar dalam Index LQ45 selama tahun 2019-2021	34
3	Perusahaan yang menyajikan laporan keuangan dengan mata uang Rupiah (Rp) selama periode penelitian tahun 2019-2021	25
Jumlah sampel perusahaan yang memenuhi kriteria		**25**
Jumlah data sampel 3 tahun x 25 perusahaan		**75**

2.2 Pengukuran Variabel

2.2.1 Variabel Dependen

2.2.1.1 *Return* Saham

Return saham merupakan sebuah pengembalian yang dicapai oleh para pihak dalam melakukan kegiatan investasi saham, dihitung menggunakan persamaan berikut:

$$R = \frac{P_t - P_{t-1}}{P_{t-1}}$$

2.2.2 Variabel Independen

2.2.2.1 *Debt to Equity Ratio* (DER)

Kasmir (2010:157) menyatakan bahwa DER adalah perbandingan rasio yang digunakan untuk menilai hutang dengan ekuitasnya. Rasio ini dicari dengan cara membandingkan antara seluruh hutang, termasuk hutang lancar dengan seluruh ekuitasnya dengan modal perusahaan. Dihitung menggunakan persamaan berikut:

$$DER = \frac{Total\ Kewajiban}{Modal\ Sendiri}$$

2.2.2.2 *Price Earning Ratio* (PER)

Price Earning Ratio (PER) merupakan suatu rasio yang lazim digunakan untuk mengukur harga pasar (market price) setiap lembar saham dengan laba per lembar saham (Simamora, 2002:531). Variabel PER (Price Earning Ratio) diukur dengan perbandingan antara harga saham dengan pendapatan setiap lembar saham. Dihitung menggunakan persamaan berikut:

$$PER = \frac{Harga\ Saham}{Laba\ Perlembar\ Saham}$$

2.2.2.3 *Earning Per Share* (EPS)

Earning Per Share (EPS) merupakan laba bersih per lembar saham biasa yang beredar selama satu periode, rasio laba per lembar saham ini mengukur profitabilitas dari sudut pandang pemegang saham biasa (Simamora, 2002:530). Variabel EPS (Earning Per Share) diukur dengan perbandingan jumlah laba bersih dengan jumlah saham beredar. Dihitung menggunakan persamaan berikut:

$$EPS = \frac{Laba\ Bersih}{Jumlah\ Saham\ Beredar}$$

2.2.2.4 *Price to Book Value* (PBV)

Darmadji dan Fakhrudin (2001:141) menyatakan bahwa *Price to Book Value* (PBV) dalah rasio yang menggambarkan seberapa besar pasar menghargai nilai buku saham suatu perusahaan. Variabel PBV diukur dengan membandingkan harga pasar saham dengan nilai buku per lembar saham PBV. Dihitung menggunakan persamaan berikut:

$$PBV = \frac{Harga\ Pasar\ Saham}{Nilai\ Buku\ Perlembar\ Saham}$$

2.3 Metode Analisis Data

Dalam penelitian ini analisis data yang digunakan adalah analisis statistik deskriptif, dimana statistik deskriptif disajikan untuk menjelaskan deskripsi data dari seluruh variabel yang dimasukkan kedalam penelitian. Selanjutnya model regresi data panel dimana regresi ini menggunakan data *time series* dan data *cross sectional*, uji ini menggunakan model *Common Effect, Fixed Effect, Random Effect.* Selanjutnya uji hipotesis menggunakan Koefisien determinasi serta uji parsial dan uji simultan. Adapun persamaan regresi setalah dimasukan variabel moderasi dalam penelitian ini sebagai berikut :

$$Y = \alpha + \beta_1 X1 + \beta_2 X2 + \beta_3 X3 + \beta_4 X4 + \varepsilon$$

Di mana:

Y = *Return* Saham

α = Konstanta Regresi

$\beta_1, \beta_2, \beta_3, \beta_4$ = Koefisien Regresi
X1 = *Debt to Equity Ratio*
X2 = *Price Earning Ratio*
X3 = *Earning Per Share*
X4 = *Price to Book Value*
ε = *Error*

3. HASIL PENELITIAN DAN DISKUSI

3.1 Statistik Deskriptif

Statistik deskriptif digunakan untuk memberikan gambaran maupun deskripsi mengenai nilai rata-rata, standar deviasi, nilai maksimum, dan nilai minimum untuk data kuantitatif (Ikriyah et al., 2017). Statistik deskriptif pada tabel 3.1 menunjukkan nilai minimum, maksimum, mean, dan standar deviasi.

Tabel 2. Hasil Pengujian Analisis Statistik Deskriptif

	RETURN_S...	DER	PER	EPS	PBV
Mean	0.187160	0.412107	1.322093	2.261587	5.793293
Median	0.133000	0.388000	1.324000	2.346000	6.164000
Maximum	1.304000	1.206000	2.025000	3.482000	7.783000
Minimum	0.003000	0.013000	0.587000	0.907000	2.932000
Std. Dev.	0.205119	0.292622	0.302898	0.539667	1.237368

Sumber : Output Eviews 12

3.2 Uji Asumsi Klasik

3.2.1 Uji Normalitas Data

Uji normalitas ini bertujuan untuk mengetahui apakah variabel-variabel dalam model regresi panel berdistribusi normal atau tidak. Distribusi data model regresi yang layak harus normal atau hampir normal. Karena nilai ekstrem dalam data yang diperoleh, distribusi data yang dievaluasi biasanya yang menyebabkan tidak terpenuhinya normalitas data.

Pengaruh variabel DER, PER, EPS, dan PBV terhadap return saham terbukti memiliki nilai jarque-bera sebesar 3,253855 berdasarkan hasil pengujian dari data tersebut di atas. Dapat disimpulkan bahwa data hasil pengujian pengaruh variabel DER, PER, EPS, dan PBV terhadap return saham berdistribusi normal karena dari hasil analisis terlihat nilai probabilitas (3.253855) > taraf signifikan (0.05).

3.2.2 Uji Multikolinearitas

Uji multikolinearitas bertujuan untuk mengetahui apakah variabel independen DER, PER, EPS, dan PBV berkorelasi dalam model regresi. Ketika ada hubungan linier antara variabel independen, itu dikenal sebagai multikolinearitas. Multikolinearitas tidak akan terjadi pada persamaan regresi sederhana karena terdapat banyak variabel independen yang terlibat (Winarno, 2015: 5.1).

Uji ini membuktikan bahwa tidak terdapat multikolinearitas antara variabel independen DER, PER, EPS, dan PBV karena tidak ada koefisien korelasi yang lebih dari 0,80 berdasarkan pengujian yang telah dilakukan. Tidak perlu dilakukan uji multikolinearitas untuk regresi sederhana karena tidak ada multikolinearitas pada persamaan regresi sederhana.

3.3 Model Estimasi dan Pemilihan Model Regresi Data Panel

3.3.1 *Common Effect*

Penelitian ini menggunakan model *Common Effect* yang menggabungkan data *cross-sectional* dan *time series.*

Tabel 3. *Common Effect*

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-0.256931	0.051142	-5.023919	0.0000
DER	0.033406	0.017258	1.935655	0.0569
PER	-0.066646	0.022471	-2.965871	0.0041
EPS	0.459912	0.013222	34.78384	0.0000
PBV	0.012885	0.004457	2.891066	0.0051

Sumber : Output Eviews 12

Berdasarkan tabel di atas hasil uji yang menggunakan metode *Common effect* menunjukkan bahwa dari semua variabel bebas masing-masing memiliki pengaruh terhadap *return* saham. Tahap selanjutnya adalah mengujinya menggunakan model *fixed effect* setelah model *common effect* selesai diuji.

3.3.2 *Fixed Effect*

Model regresi data panel yang menggunakan pendekatan *fixed effect* merupakan model yang mengasumsikan koefisien *slope* konstan tetapi intersep bervariasi antar anggota panel.

Tabel 4. *Fixed Effect*

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-0.781884	0.213527	-3.661755	0.0006
DER	0.016042	0.048443	0.331152	0.7420
PER	-0.078957	0.045356	-1.740826	0.0884
EPS	0.491200	0.041527	11.82831	0.0000
PBV	0.095329	0.047110	2.023542	0.0488
Effects Specification				
Cross-section fixed (dummy variables)				
R-squared	0.990076	Mean dependent var		0.783499

Sumber : Output Eviews 12

Berdasarkan hasil pengujian data dapat dilihat bahwa secara parsial variabel DER dan PER tidak berpengaruh terhadap *return* saham dengan nilai signifikansi lebih dari 0,05. Namun variabel EPS dan PBV masing-masing berpengaruh terhadap *return* saham dengan nilai signifikansi dibawah 0,05

3.3.3 Uji *Chow*

Uji *Chow* merupakan pengujian untuk menentukan model mana apakah model *fixed effect* atau model *common effect* yang lebih cocok digunakan dalam penelitian.. Dalam melakukan uji chow, data diregresi dengan menggunakan *common effect* dan *fixed effect* terlebih dahulu. Jika nilai signifikansi >0,05 maka metode yang dipilih adalah *common effect.* Sebaliknya jika nilai signifikansi <0,05 maka metode yang dipilih adalah *fixed effect.*

Tabel 5. Uji *Chow*

Effects Test	Statistic	d.f.	Prob.
Cross-section F	2.783009	(24,46)	0.0014
Cross-section Chi-square	67.267951	24	0.0000

Sumber : Output Eviews 12

Nilai signifikansi antara *cross-section F* dan *cross-section Chi-square* dari perhitungan menggunakan Eviews 12 dapat diketahui bahwa kedua nilai signifikansi tersebut adalah 0,00 atau lebih kecil dari 0,05 pada hasil uji *Chow* tabel di atas. Sehingga model yang dipilih dalam pengujian uji *chow* adalah metode *fixed effect* model

3.3.4 *Random Effect*

Asumsi di balik estimasi dengan *random effect* adalah bahwa setiap bisnis memiliki intersep yang unik. Intersep adalah variabel stokastik atau *random*. Jika perusahaan sampel individu dipilih secara acak dan merupakan wakil dari populasi, model ini sangat membantu. Berikut adalah hasil estimasi data panel dengan menggunakan model *random effect*.

Tabel 6. *Random Effect*

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-0.261273	0.056561	-4.619347	0.0000
DER	0.033788	0.019613	1.722749	0.0893
PER	-0.075819	0.022241	-3.408890	0.0011
EPS	0.466824	0.015114	30.88684	0.0000
PBV	0.013002	0.005391	2.411709	0.0185

Sumber : Output Eviews 12

Berdasarkan hasil pengujian data dapat dilihat bahwa secara parsial variabel DER tidak berpengaruh terhadap *return* saham dengan nilai signifikansi lebih dari 0,05. Namun variabel PER, EPS dan PBV masing-masing berpengaruh terhadap *return* saham dengann nilai signifikansi dibawah 0,05.

3.3.5 Uji *Hausman*

Dalam regresi data panel, *fixes effect* model atau *random effect* model harus digunakan tergantung pada hasil uji Hausman, sebuah uji statistik. Jika tingkat signifikansi melebihi 0,05, digunakan metode *random effect*. Sebaliknya jika nilai signifikansi <0,05 maka metode yang dipilih adalah *fixed effect*.

Tabel 7. Uji *Hausman*

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	13.893060	4	0.0076

Sumber : Output Eviews 12

Nilai signifikan perhitungan menggunakan Eviews 12 pada *cross section random* adalah 0,00 atau lebih kecil dari 0,05, menurut hasil uji Hausman pada tabel di atas. Hasilnya, teknik *fixed effect* adalah model yang digunakan dalam uji Hausman

3.4 Koefisien Determinasi (R^2)

Kemampuan suatu model untuk menjelaskan variasi dependennya pada dasarnya diukur dengan koefisien determinasi (R2). Ketika R2 mendekati 1 (satu), hal ini menunjukkan bahwa hampir semua informasi yang diperlukan untuk memprediksi variabel dependen dapat ditemukan pada variabel independen. Dari hasil estimasi model *fixed effect* yang terdapat dalam tabel 3.5 menunjukkan nilai koefisien determinasi R^2 sebesar 0,990. Hal ini menunjukkan bahwa besarnya perubahan variabel independen yaitu DER, PER, EPS dan PBV mampu menjelaskan pada variabel dependen *return* saham sebesar 99%, sedangkan sisanya 1% dipengaruhi oleh variabel lain atau faktor lain di luar penelitian.

3.5 Uji Hipotesis

3.5.1 Hasil Menggunakan Metode *Fixed Effect*

Berdasarkan pemilihan model estimasi regresi data panel, melalui uji *chow* dan uji *hausman* dipilih model *fixed effect* sebagai model pengujian hipotesis dalam penelitian ini.

Tabel 8. Hasil Estimasi Regresi Data Panel dengan Model *Fixed Effect*

Variabel	Prediksi	Koefisien	t-Statistik	Signifikan	Kesimpulan
Konstanta	-	-0.781884	-3.661755	0.0006	
Y RS					
X1 DER	Negatif	0.016042	0.331152	0.7420	Ditolak
X2 PER	Positif	-0.078957	-1.740826	0.0884	Ditolak
X3 EPS	Positif	0.491200	11.82831	0,0000	Diterima
X4 PBV	Positif	0.095329	2.023542	0.0488	Diterima
R-*squared* = 0.990076 Sig (F-Statistik) = 0,000000					

Sumber : Output Eviews 12 (data diolah)

Dari hasil analisis regresi berganda diperoleh persamaan Y = -0.781884 + 0.016042 DER - 0.078957 PER + 0.491200 EPS + 0.095329 PBV

Hasil analisis menggunakan model estimasi *fixed effect* diperoleh bahwa *debt to equity ratio* (DER) dan *price earning ratio* (PER) tidak berpengaruh terhadap *return* saham pada perusahaan yang terdaftar dalam LQ45 selama masa pandemi *covid-19*, ditunjukkan dari nilai signifikansinya lebih dari 0,05. Sedangkan selama pandemi *covid-19*, *price to book value* (PBV) dan *earning per share* (EPS) berdampak positif terhadap *return* saham perusahaan yang terdaftar di LQ45, ditunjukkan dari nilai signifikansinya kurang dari 0,05. Sementara itu *debt to equity ratio* (DER), *price earning ratio* (PER), *earning per share* (EPS) dan *price to book value* (PBV) secara bersama-sama berpengaruh terhadap return saham pada perusahaan yang terdaftar dalam LQ45 selama masa pandemi *covid-19.*

3.6 Pembahasan

Hasil pengujian hipotesis pertama dari data diatas variabel *debt to equity ratio* (DER) menunjukkan nilai koefisien 0.016042 dimana asumsi awal DER bernilai negatif. Kemudian nilai signifikasi DER sebesar 0.7420 lebih besar dari α = 0,05 sehingga hipoteis pertama **ditolak**. Sehingga dapat disimpulkan bahwasanya tidak ada pengaruh yang signifikan antara DER terhadap *return* saham pada perusahaan yang terdaftar dalam LQ45 selama masa pandemi *covid-19.* Penelitian ini sejalan dengan hasil penelitian yang dilakukan oleh (Hermuningsih et al., 2022; Mangantar et al., 2020; Yunita et al., 2020) yang menyatakan bahwa tidak ada pengaruh yang signifikan antara DER dengan return saham. Akan tetapi hasil penelitian ini bertolak belakang dengan penelitian Aini et al., (2020); Saraswati et al., (2020); Sari &

Hermuningsih, (2020) yang menyatakan bahwa terdapat pengaruh yang signifikan antara DER degan return saham. DER adalah ukuran kinerja keuangan yang menggambarkan seberapa baik permodalan perusahaan untuk membiayai semua hutang, termasuk hutang jangka pendek dan jangka panjang. Dalam kata lain DER merupakan suatu jaminan bahwasannya perusahaan sanggup membayar seluruh hutangnya. Adanya jaminan tersebut, merupakan salah satu *good news* bagi investor untuk membeli saham perusahaan. Sementara pengaruh yang tidak signifikan dari DER terhadap return saham diartikan bahwa ada maupun tidaknya hutang perusahaan tidak terlalu memberikan pengaruh yang berarti terhadap perubahan return saham. Hal ini dikarenakan pada masa pandemi covid-19 ini, dimana pereknonomian semua negara tidak hanya Indonesia mengalami penurunan. Pada masa ini walaupun nilai DER besar merupakan *good news* bagi investor, akan tetapi investor tidak membeli saham perusahaan tersebut karena perekonomian investor cenderung ikut melemah akibat adanya pandemic covid-19. Hal ini selaras dengan hasil penelitian yang menjelaskan bahwa tidak ada pengaruh signifikan antara DER dengan return saham pada perusahaan yang terdaftar di LQ45 selama masa pandemi covid-19.

Hasil pengujian hipotesis kedua menunjukkan *price earning ratio* (PER) menunjukkan nilai koefisien -0.078957 asumsi awal PER bernilai positif. Nilai signifikan PER sebesar 0.0884 atau lebih besar dari α = 0,05 sehingga hipotesis kedua **ditolak.** Sehingga dapat disimpulkan bahwasanya tidak ada pengaruh yang signifikan antara PER terhadap *return* saham pada perusahaan yang terdaftar dalam LQ45 selama masa pandemi *covid-19.* Hasil penelitian ini sejalan dengan penelitian yang dilakukan oleh Fatmawati et al., (2022); Sinaga, R, (2022); Fitroh et al., (2022) yang mengatakan PER tidak berpengaruh terhadap *return* saham. Berlawanan dengan penelitian ini, hasil penelitian yang dilakukan oleh Anggraeni et al., (2021); Safira & Budiharjo, (2021); Saraswati et al., (2020) mengatakan PER terbukti berpengaruh positif dan signifikan terhadap return saham sehingga dapat dinyatakan bahwa semakin tinggi PER maka akan semakin besar kemungkinan return saham di masa depan. PER menunjukkan kemampuan memprediksi laba dimasa yang akan datang. Berdasarkan hasil penelitian tidak signifikannya variabel PER disebabkan karena PER lebih banyak berhubungan dengan faktor lain diluar *return* saham, ketidakpastian kondisi ekonomi dan politik serta sentimen dari pasar bursa itu sendiri.

Hasil pengujian hipotesis ketiga menunjukkan bahwa nilai koefisien 0.491200 dimana asumsi awal EPS bernilai positif terbukti dengan nilai signifikan sebesar 0,0000 kurang dari α= 0,05 sehingga hipotesis ketiga **diterima**. Dapat disimpulkan EPS berpengaruh positif signifikan terhadap *return* saham. Hasil penelitian ini didukung oleh Sari & Hermuningsih, (2020); Sinaga, (2022); Umar et al., (2022) mereka menyatakan EPS berpengaruh signifikan terhadap *return* saham. Hasil penelitian ini bertentangan dengan penelitian yang dilakukan oleh Fitrianingsih et al., (2022); Rahmanissa et al., (2022) yang menyatakan EPS tidak berpengaruh secara signifikan terhadap *return* saham. Hasil penelitian ini sejalan dengan teori yang mendasarinya bahwa EPS yang semakin besar akan menunjukkan kemampuan perusahaan dalam menghasilkan laba bersih setelah pajak semakin meningkat, dengan meningkatnya laba bersih setelah pajak yang dihasilkan oleh perusahaan maka total *return* yang diterima oleh para pemegang saham juga semakin meningkat.

Hasil pengujian hipotesis keempat menunjukkan bahwa nilai koefisien 0.095329 dimana asumsi awal PBV bernilai positif terbukti dengan nilai signifikan sebesar 0.0488 kurang dari α= 0,05 sehingga hipotesis keempat **diterima**. Dapat disimpulkan PBV berpengaruh positif signifikan terhadap *return* saham. Penelitian ini didukung oleh Jaya & Kuswanto, (2021); Mahasidhi & Dewi, (2022); Saraswati et al., (2020) mengatakan PBV berpengaruh positif dan signifikan terhadap return saham. Berlawanan dengan penelitian yang dilakukan oleh

Fatmawati & Sembiring, (2022); Jamaluddin et al., (2021); Rahmanissa & Isynuwardhana, (2022) mengatakan PBV tidak berpengaruh terhadap *return* saham. *Price Book Value* (PBV) termasuk rasio yang mencerminkan penilaian pasar terhadap saham yang berguna menentukan harga saham yang dinilai rendah atau terlalu tinggi sehingga para investor dapat menentukan saham yang dibeli. Penelitian ini sejalan dengan teori yang ada dimana PBV yang tinggi maka akan meningkatkan harga saham yang akhirnya meningkatkan pendapatan (return) perusahaan yang bersangkutan.

Hasil pengujian hipotesis kelima menunjukkan bahwa nilai Sig (F-Statistik) sebesar 0,0000 atau kurang dari α= 0,05 sehingga hipotesis kelima **diterima**. Artinya *debt to equity ratio* (DER), *price earning ratio* (PER), *earning per share* (EPS) dan *price to book value* (PBV) secara bersama-sama berpengaruh positif serta signifikan terhadap *return* saham pada perusahaan yang terdaftar dalam LQ45 selama masa pandemi *covid-19.* Hasil penelitian memberikan tambahan informasi bagaimana kemampuan variabel DER, PER, EPS dan PBV terhadap *return* saham. Terdapat bukti empiris yang diperoleh melalui penelitian ini dimana semua variabel independen secara simultan berpengaruh positif signifikan terhadap *return* saham. Sesuai dengan teori sinyal, teori ini menjelaskan bahwa informasi yang dibutuhkan investor untuk mempertimbangkan dan menentukan keputusan berinvestasi pada perusahaan. Teori signaling menjelaskan bagaimana perusahaan memberikan sinyal kepada pengguna laporan keuangan dan non keuangan. Hasil dari penelitian ini dapat digunakan sebagai bahan pertimbangan bagi investor maupun pihak terkait yang akan mengambil keputusan berdasarkan pada return saham.

4. KESIMPULAN DAN SARAN

4.1 Kesimpulan

Dari hasil analisis data, pengujian hipotesis dan pembahasan, maka dapat ditarik kesimpulan sebagai berikut:

1. *Debt to equity ratio* (DER) dan *price earning ratio* (PER) secara parsial tidak berpengaruh terhadap *return* saham pada perusahaan yang terdaftar dalam LQ45 selama masa pandemi *covid-19.* Sedangkan Sedangkan *earning per share* (EPS) dan *price to book value* (PBV) berpengaruh positif terhadap *return* saham pada perusahaan yang terdaftar dalam LQ45 selama masa pandemi *covid-19*
2. *Debt to equity ratio* (DER), *price earning ratio* (PER), *earning per share* (EPS) dan *price to book value* (PBV) secara simultan berpengaruh positif terhadap *return* saham pada perusahaan yang terdaftar dalam LQ45 selama masa pandemi *covid-19.*

4.2 Keterbatasan dan Saran

Penelitian ini masih belum sempurna mengingat masih terdapat keterbatasan-keterbatasan. Penentuan variabel dalam penelitian ini hampir sepenuhnya sama dengan penelitian sebelumnya tanpa banyak kesempatan untuk mengulas bersama. Rasio - rasio keuangan selain perusahaan indeks papan utama tidak diteliti. Bagi peneliti selanjutnya, diharapkan dapat lebih menyempurnakan penelitian ini dengan menggunakan rasio keuangan lainnya agar dapat mengetahui faktor lain yang mempengaruhi *return* saham serta memperpanjang periode penelitian agar hasil yang diperoleh lebih representatif, menggunakan objek penelitian yang berbeda seperti indeks saham maupun sektor perusahaan lain yang menarik untuk investor menanamkan modalnya dalam pasar modal. Peneliti selanjutnya juga sebaiknya mengkategorikan penelitian berdasarkan tipe industri atau ukuran perusahaan agar sampel penelitian yang digunakan lebih fokus ke golongan tertentu. Karena keterbatasan-keterbatasan itu menyebabkan hasil penelitian ini perlu pengkajian yang lebih seksama dimasa yang akan datang dengan melihat faktor-faktor diluar keterbatasan sekarang.

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DETERMINANT FACTORS OF THE COMPANIES TO DO TAX AVOIDANCE

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Abstract— Tax avoidance is carried out by companies to minimize tax payments to the state by doing thin capitalization, transfer pricing, and earnings management because paying taxes is considered a burden and can reduce a company's profit. The objective of this research is to determine the effect of firm size, thin capitalization, transfer pricing, and earning management on tax aggressiveness with profitability as control variable. This research provide new evidence regarding the influence of firm size, thin capitalization, transfer pricing, and earnings management on tax avoidance in manufacturing companies with consumer goods subsector in Indonesia. The population in this research are all manufacturing companies in the consumer goods sector listed on the Indonesia Stock Exchange in 2017-2021. The data collection technique was using purposive sampling technique to determine research sample for five years period. This research uses the panel data regression method with a random effects model approach. The research results show that firm size and thin capitalization has a positive effect on tax avoidance, while transfer pricing and earnings management do not affect tax avoidance. From this result of research, the company management needs to increase awareness to comply with paying taxes and not to do tax avoidance practices.

Keywords: Earnings Management; Firm Size; Tax Avoidance; Thin Capitalization; Transfer Pricing

1. INTRODUCTION

1.1 Background

Individuals and entities are part of the taxpayers who have rights and obligations that have been stated in the provisions regarding taxation in force in Indonesia, such as paying taxes, withholding taxes, and collecting taxes. Based on the economic aspect, taxes have a large percentage of Indonesia's state revenue and finance the state budget each year (Mahardika & Irawan, 2022). Taxes are useful for the life of a prosperous society so tax payment has become a major component in the economic community development (Ardillah & Halim, 2022). Tax targets in recent years have shown positive progress in line with funding needs in the State Revenue and Expenditure Budget which can be shown in the following table 1 (Sueb, 2020).

Table 1. Realization of Tax Revenue in Indonesia During 2016-2021

Year	Tax Revenue (Trillion Rupiah)		Target Achievement
	Estimated to be Received	Realized	
2017	Rp 1.472,7	Rp 1.343,5	91.23%
2018	Rp 1.618,0	Rp 1.518,8	93.86%
2019	Rp 1.786,3	Rp 1.546,1	86.55%

Year	Tax Revenue (Trillion Rupiah)		Target Achievement
	Estimated to be Received	Realized	
2020	Rp 1.404,5	Rp 1.285,1	91.50%
2021	Rp 1.229,6	Rp 1.277,5	103.90%

Source: Summarized by Author (2022)

Table 1 shows that the target for the realization of state revenues sourced from taxes in 2016-2021 has not experienced a significant increase with the realization of tax revenue that has not reached the tax revenue targets set in the State Revenue and Expenditure Budget. The taxpayer compliance ratio has increased from 2019 which reached 73%, but still has not reached the target in 2020 which was set at 80%. Amid economic uncertainty due to the COVID-19 pandemic, the tax compliance ratio in 2021 has increased to 84%, so that the realization of tax revenue in 2021 exceeds the set tax revenue target. This result is supported by the economic recovery and optimal supervision from the Director General of Taxes even though the 2021 COVID-19 pandemic is still ongoing. From these results, it can be concluded that taxpayers are not fully compliant in paying taxes based on the average percentage of achieving the target from 2016-2021 of 91.75% which has not exceeded 100% of the tax revenue target set in the State Revenue and Expenditure Budget.

Companies must calculate and report taxes that must be paid, and pay taxes regularly every year (Ardillah et al., 2022). Tax payments are a burden because they can reduce company profits. By minimizing tax payments, aggressive actions can be taken against taxes. These actions can be planned by companies' management to make tax payments lower. Companies that take action to avoid taxes are categorized as companies that are aggressive towards taxes or tax aggressiveness (Oktaviani et al., 2021). Tax aggressiveness is an action that companies take to reduce taxable profits and reduce the tax burden paid. Tax planning is the first step before carrying out tax aggressiveness so that it complies with tax provisions remains legal and avoids violations. Tax aggressiveness that was done legally is called tax avoidance (Utami et al., 2020).

In Indonesia, the companies carrying out tax avoidance have caused losses to the state reaching IDR 68.7 trillion per year (Utomo, 2021). One of the manufacturing companies in the consumer goods sector that carries out tax avoidance practice is PT Bentoel Internasional Investama which had achieved losses in state tax revenue during 2016-2020. PT Bentoel Internasional Investama do tax avoidance by transferred its income to affiliated companies. The condition of income from PT Bentoel Internasional Investama shows that net income from 2016 to 2018 has increased every year but in 2020 the company suffered net loss with the total loss amount of IDR 608,463,000,000 in the company's financial statements (Trisnawati & Ardillah, 2023).

Tax avoidance is a tax problem that often occurs today and is carried out by companies to minimize tax payments to the state because paying taxes is considered a burden and can reduce company profits (Ardillah et al., 2022). Tax avoidance through thin capitalization rules can be achieved by using debt (Rahayu 2011; Buettner et al., 2012). Thin capitalization is a condition in which a company's financial statement shows that the amount of debt was greater than the amount of capital to minimize the tax payable that must be paid by the company (Goyvaerts & Roggeman, 2020). The debt owned by the company that generates interest can reduce taxable income which results in the tax payable also being reduced. The higher the amount of debt in the company's capital structure, the higher the practice of thin capitalization by companies to avoid taxes payment (Utami & Irawan, 2022).

Firm size is closely related to the number of assets the company owns, so the bigger the company, the greater the assets the company owns (Wardani & Puspitawari, 2022). Firm size can measure the ability and stability of the company to do its operation. The maturity stage is determined based on the total assets of the company (Kurniasih & Sari, 2013). The greater the total assets that owned by the company indicating that the company has good prospects over a relatively long period of time. Compare to the company with a small total asset, the company that had greater asset will more stable and able to make a profit and tax avoidance will likely to occur if the management want to reduce corporate tax obligation (Lee et al., 2015; Kalbuana et al., 2020).

The company is making efforts to avoid tax, one of which is the practice of transfer pricing (Fitriani et al., 2021). The companies practice to do transfer pricing as an effort to avoid taxes due to differences in tax provisions and regulations that apply between countries (Sitanggang & Companyansyah, 2021). Multinational companies can establish overseas subsidiaries to carry out transfer pricing actions, especially in countries that have low tax rates because they can transfer profits and assets to subsidiaries that are in tax haven countries or low tax rates to facilitate tax avoidance (Richardson et al., 2013).

Another factor that can affect tax avoidance is earnings management. Earnings management is an act done by managers to choose accounting policies that can influence financial reporting by managing the income (Sulistyanto, 2008; Scott, 2015). The company's management conduct earnings management because they have the motivation to achieve goals. The company can obtain sales and profits according to the targets set and report a stable financial condition of the company so that it is considered to have good financial performance (Fidelia & Ardillah, 2022). Companies that have a low tax burden have a high level of tax avoidance as a result of earnings management actions taken by company managers.

The research of Ichsani & Susanti (2019), Yahaya & Yusuf (2020), Wardani & Puspitawari (2022), Paramita, et al. (2022), and Rizka & Rahayu (2023) found that firm size affect positively to tax avoidance, while Warumu & Kartikaningdyah (2019), Sonia & Suparmun (2019), and Kalbuana et al. (2020) found that firm size had no effect to tax avoidance. The same research that has been conducted by Andawiyah et al. (2019), Suntari & Mulyani (2020), Irawan & Novitasari (2021), and Utami & Irawan (2022) which found that thin capitalization affects tax avoidance. This result of research could not be compared to Utami et al. (2020), Hutomo et al. (2021), and Rini et al. (2022) that thin capitalization does not affect tax avoidance (2021). Fitriani et al. (2021), Utami & Irawan (2022), and Suntari & Mulyani (2020) proved that transfer pricing affects tax avoidance. The different results in Suntari & Mulyani (2020), Fitriani et al. (2021), Robin et al. (2021), and Utami & Irawan (2022) proved that transfer pricing does not affect tax avoidance. Machdar (2019), Wardani, et al. (2019), Robin et al. (2021), Mappadang (2021), Marfiana & Putra (2021), Oktaviani et al. (2021), and Thalita et al. (2022) in their research results proved that earnings management affects tax avoidance. Handayani & Mardiansyah (2021) have the different result of the research that proved earnings management do not affect tax avoidance.

This research replicates Hidayat & Wijaya (2021) with a difference in the sample companies used in this research are manufacturing companies in the consumer goods sector which are listed on the Indonesia Stock Exchange for the five years period from 2016-2020 and add firm size and thin capitalization as independent variables to become factors that affect tax avoidance. This research provide new evidence regarding the influence of firm size, thin capitalization, transfer pricing, and earnings management on tax avoidance in manufacturing companies with company goods subsector in Indonesia. Previous studies showed different results related to factors that affect tax avoidance has become motivation for researchers to examine the effect of firm size, thin capitalization, transfer pricing, and earnings management on tax avoidance. The research objective was to find empirical evidence on the effect of firm size, thin capitalization, transfer pricing, and earnings management on tax avoidance with profitability as control variable.

1.2 Problem Formulation

Based on the research background, the formulation of this research problem is as follows:

1. Does firm size have a positive effect on tax avoidance?
2. Does thin capitalization have a positive effect on tax avoidance?
3. Does transfer pricing have a positive effect on tax avoidance?
4. Does earning management have a positive effect on tax avoidance?

1.3 Literature Review and Hypothesis

1.3.1 Agency Theory

The theory underlying this research is agency theory. Agency relationship in agency theory is a contract in which one or more people (parent) employ another person (agent) to perform various services and delegate decision-making authority to the agent (Jensen and Meckling, 1976). Agency theory in the context of corporate financial information is part of a group of positivist theories taken from financial literature (Adams, 1994). Tax avoidance can be carried out due to information asymmetry between management who develops and manages accounting systems and users of financial statements (Falbo & Companyansyah, 2018). The difference in reporting of profits in financial statements can cause a conflict of interest and interest between management as internal parties and shareholders and creditors as external parties (Ardillah & Vesakhadevi, 2021). Management as an agent will report higher profits in the financial statements to receive compensation (bonuses) or in connection with debt contract regulations (Suntari & Mulyani, 2020).

1.3.2 Tax Avoidance, Firm Size, Thin Capitalization, Transfer Pricing, Earnings Management, Profitability

Tax avoidance is an action designed to reduce a company's taxable income through tax planning using legal methods such as tax avoidance (Frank et al., 2009). Tax avoidance can avoid tax legally, not contradict, and take advantage of weaknesses or grey areas in the applicable tax rules in tax rules and regulations to minimize tax payments (Pohan, 2016). Management of the company will try to take advantage of tax regulatory loopholes which can enable the company to remain compliant with the applicable tax regulations but the tax burden imposed on the company is engineered to be smaller or paid in the minimum amount possible (Gulo & Mappadang, 2022).

Firm size is a scale in which the size of the company can be classified according to various ways, including total assets, stock market value, and others (Prasetyorini, 2013). Firm size is a scale or value that can classify a company into small firm, medium firm, and large firm (Oktamawati, 2017). Firm size can be described by the scale of the company such as total assets, average level of sales, and total sales that owned by the company (Cahyono, et al., 2016).

Thin capitalization is the practice of financing a branch or subsidiary company using interest-bearing debt rather than using capital (Pohan, 2018). The practice of thin capitalization can be detrimental to countries that apply normal or high tax rates by raising borrowing costs, adding interest expense, and cutting profits (Manik & Fitriana, 2023). The company will use debt financing as a way to do tax avoidance than equity financing because debt can be used as tax insentive as the interest expense become deductible expense (Jaros & Bartosova, 2015; Turner, 2017). In Indonesia, Minister of Finance has issued PMK No. 169/PMK/010/2015 to make restrictions on the ratio of debt to equity financing of company which was limited to 4:1 (Winarto & Daito, 2021).

Transfer pricing is a company policy in choosing the transfer price of a transaction whether in the form of goods or services or financial transactions carried out by the company (Hendriarto, 2021). Transaction between affiliated companies can facilitate the company to do tax avoidance by shifting income and expense in a low taxes or high taxes jurisdictions (Desai et al., 2006; Barker, et al., 2017). Domestic and multinational companies in carrying out transfer pricing have the following objectives to be achieved such as (1) achieving the goals of the company and other companies, (2) improving the competitive position of affiliated subsidiaries or branches and market penetration, (3) controlling the cash flow of subsidiaries or branches of affiliated companies, (4) controlling the risk of foreign currency exchange rates to reduce monetary risk, (5) monitoring the performance of foreign subsidiaries to achieve goal synchronization between subsidiary managers and parent companies, (6) made accurate performance appraisal of the parent and subsidiary companies, suitability of objectives, and preservation of divisional autonomy, (7) transmitting financial data between departments within the company on the use of goods and services, (8) evaluating the performance of the purchasing and selling divisions, (9) minimizing the taxes and duties that incurred worldwide, and (10) avoiding foreign government interference (Pohan, 2018).

Earnings management is the manager's choice to change financial statements that align with stakeholders' interests (Tiffany & Wijaya, 2020). Earnings management can also refer to selecting certain accounting rules to comply with the company's financial needs (Minanari & Rahayu, 2019). Accounting standards allow management to choose policies that can apply accounting methods in conveying information about company's financial performance to external parties (Ardillah, 2018). To achieve earnings management objectives, the management can do planning activities to enhance the company's financial performance, such as holding the selling price and the number of sales so that the costs are fixed, determining the selling price to achieve profit targets, and targeting the number of products to be sold (Scott, 2015; Azizah & Mappanyuki, 2023).

Profitability is the company's benchmark for the profit earned and is the main benchmark for the company's success (Kurniawan et al., 2021). Benchmarks for profitability can be identified using profitability ratios to measure efficiency of the use of company's asset and oversee the effectiveness of company's management that benefit investors and creditors regarding the company's assessment of future funding (Hermuningsih, 2013; Prihadi, 2019). Return on assets is one of the profitability ratio that shows manager effectiveness in using assets to earn more income, so the good management of using an asset by the company will produce better profits (Lestari et al., 2020).

1.3.3 The Effect of Firm Size to Tax Avoidance

The firm size can be seen from how much a company has total assets. The companies that had large size both physically and operationally have relatively large total assets (Healy, 1985). Large companies have expertise in managing their own resources for a long period of time compared to small companies that are still not optimal in managing their resources (Waruwu & Kartikaningdyah, 2019). Large companies tend to do better tax planning and adopting effective accounting practices to lower the company's effective tax rate compare than small companies (Paramita et al., 2022). When income increases drastically, large companies are able to defer income to the next period and make an impact on earnings that look smaller, resulting in fewer tax payments. This statement is in line with the results of research conducted by Ichsani & Susanti (2019), Yahaya & Yusuf (2020), Wardani & Puspitawari (2022), Paramita, et al. (2022), and Rizka & Rahayu (2023) which found that firm size affects tax avoidance.

Ha$_1$: Firm size affects positively to tax avoidance

1.3.4 The Effect of Thin Capitalization to Tax Avoidance

Thin capitalization can become substituted efforts by the company to fund the company operations with debt funding compared to equity funding (Andawiyah et al., 2019). From the point of view of developing countries, including Indonesia, where investment funding is mostly through debt, it creates risks and can cause Base Erosion and Profit Shifting problems. Taxable income can become smaller because, in tax regulations, interest on debt is a deductible expense. Therefore, companies can take advantage of incentives in the form of reducing the amount of taxes due to interest expenses (Utami & Irawan, 2022). The higher amount of capital funded by debt will increase the company's interest expense and reduce the company's taxable income (Rini et al., 2022). This statement is in line with the results of research conducted by Andawiyah et al. (2019), Suntari & Mulyani (2020), Irawan & Novitasari (2021), and Utami & Irawan (2022) which found that thin capitalization affects tax avoidance.

Ha$_2$: Thin capitalization affects positively to tax avoidance

1.3.5 The Effect of Transfer Pricing to Tax Avoidance

Transfer pricing practices were company policy to decide the transfer price of related party transactions between divisions or group companies (Afriyanti, 2019). The high practice of transfer pricing reflects that tax avoidance by companies is becoming more aggressive. Companies that have subsidiaries and branches in areas that have different tax rates will take advantage of regulatory loopholes with transfer pricing measures (Fitriani et al., 2021). Transfer pricing has an effect on tax avoidance because the greater the level of related party transactions, the greater the tendency to set unfair prices on these transactions (Utami et al., 2020). This indicates that the more transfer price activities, the more the tendency of the company to carry out tax avoidance. This statement is in line with the results of research conducted by Suntari & Mulyani (2020), Fitriani et al. (2021), and Utami & Irawan (2022) which result that transfer pricing affects tax avoidance.

Ha$_3$: Transfer pricing affects positively to tax avoidance

1.3.6 The Effect of Earnings Management to Tax Aggressiveness

Earnings management is an action taken by management to increase or decrease profits in financial statements with the aim of management or company interests (Scott, 2015). Management's motivation to take earnings management actions is to reduce the tax burden. If the company takes earnings management actions, the company is considered aggressive toward its taxes (Oktaviani et al., 2021). Management can carry out earnings management by doing income minimization or reducing income reported in financial statements (Surahman and Companyansyah, 2017). This statement is in line with the results of research conducted by Machdar (2019), Wardani, et al. (2019), Marfiana & Putra (2021), Mappadang (2021), Oktaviani et al. (2021), and Thalita et al. (2022) which results that earnings management affects tax avoidance.

Ha$_4$: Earnings management affects positively to tax avoidance

1.3.7 Research Model

The research model is presented in Figure 1.

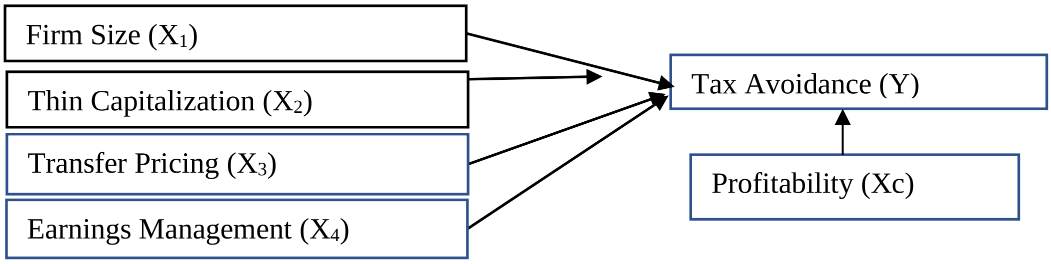

Figure 1. Research Model

2. METHODOLOGY AND DATA ANALYSIS

2.1 Research Design

The population in this research are manufacturing companies in the consumer goods sector which are listed on the Indonesia Stock Exchange during the years from 2017-2021. The sampling technique in this research used a purposive sampling method with predetermined criteria to adjust the research samples and minimize data variations. The number of manufacturing companies listed on the Indonesia Stock Exchange was 74 companies. The researcher eliminated 34 company samples because the company was delisted or not delisted consecutively. The researcher also eliminated 3 company samples that had negative earnings consecutively and did not have the necessary data to complete the information needs by the researchers. Finally, researchers collected 185 data from 37 companies' samples in Table 2 with sample selection criteria procedures and results as follows.

Table 2. Sample Selection Criteria Results

No.	Criteria	Sample
1.	Manufacturing companies in the consumer goods sector listed on the Indonesia Stock Exchange	74
2.	Manufacturing companies in the consumer goods sector that were not listed consecutively or delisted from the Indonesia Stock Exchange during the 2017-2021 period	-34
3.	Manufacturing companies that had negative earnings consecutively and no completed information needs to collect as research data	-3
	Number of Samples	37
	Total Period	x 5
	Total Research Data (37 x 5)	185

2.2 Variable Operationalization

The independent variables in this research are firm size, thin capitalization, transfer pricing, and earnings management. The dependent variable in this research is tax avoidance. The control variables in this research is profitability. Table 3 shown the operationalization of the variables used in this research.

Table 3. Variable Operationalization

Variable	Definition	Formula	Scale
Tax Avoidance	Actions to reduce taxable income so as to minimize the company's tax burden (Frank et al., 2009).	ETR = (Tax Expense / Pretax Income) (Leksono, et al, 2019)	Ratio
Firm Size	The size of a company that can be seen from the total assets or total sales (Cahyono et al., 2016).	Firm Size = Ln (Total Asset) (Leksono et al., 2019)	Ratio
Thin Capitalization	The condition of a company that has a higher amount of debt than its capital (OECD, 2012).	Safe Harbor Debt Amount = (Average total asset - non interest bearing liability) x maximum Debt to Equity Ratio (maximum DER according to Minister of Finance Regulation Number 169/PMK. 010/2015 was 4: 1 or 80%) Maximum Allowance Debt Ratio = (average debt / SHDA) (Taylor & Richardson, 2012 & Andawiyah et al., 2019)	Ratio
Transfer Pricing	One of the tax-aggressive practices carried out by company management the aim of transferring company profits and expenses to related parties to reduce company profits so that companies can reduce tax payments to the state, the way that can be done is to carry out transactions with related parties (Alfarizi et al., 2021).	Transfer Pricing = (Related party trade receivables / total asset) (Hutomo et al., 2021)	Ratio
Earnings Management	Actions taken by management in measuring accounting profit with specific objectives (Walker, 2013).	The discretionary accruals model of Jones which has been modified (1995) with the following stages: 1. $TA_{it} = NI_{it} - CFO_{it}$ 2. $TA_{it}/A_{it-1} = \beta_1 (1/A_{it-1}) + \beta_2 (\Delta REV/A_{it-1}) + \beta_3 (PPE_{it} / A_{it-1}) + e$ 3. $NDA_{it} = \beta_1 (1/A_{it-1}) + \beta_2 (\Delta REV/A_{it-1} - \Delta REC/A_{it-1}) + \beta_3 (PPE_{it} / A_{it-1})$ 4. $DA_{it} = (TA_{it} / A_{it-1}) - NDA_{it}$	Ratio
Profitability	The company's ability to generate profits (Leksono et al., 2019).	Return On Asset = Net income / Total asset (Leksono et al., 2019)	Ratio

2.3. Data Analysis Method

The classic assumption tests used in this research include normality, multicollinearity, and heteroscedasticity. The normality test uses the Jarque-Bera test by looking at the probability value, if the probability value is <0.05, it can be concluded that the regression model has data that distributed normally. Multicollinearity test by looking at the correlation value between the two variables, if the correlation value is <0.80 it means that there is no multicollinearity problem in the regression model. The heteroscedasticity test uses the white method by looking at the Obs*R-Squared probability value, if the probability value of Obs*R-

Squared is <0.05, it can be concluded that the regression model contains heteroscedasticity problems (Ghozali & Ratmono, 2017).

The model feasibility tests to be used in this research are the Chow test, Hausman test, and Lagrange multiplier test. The Chow test was carried out to know the best estimate of the panel data regression model. If the Chi-square Cross Section probability value < 0.05 then the fixed effect model is selected, but if the Chi-square Cross Section probability value is > 0.05 then the common effect model is selected. The Lagrange Multiplier test was carried out to know the best estimation of the panel data regression model, whether it is a common effect model or a random effect model. If the probability value of both Breusch-Pagan is <0.05 then the random effect model is chosen, but if the probability value of both Breusch-Pagan > 0.05 then the common effect model is selected (Priyatno, 2022).

This research conducted a hypothesis test consisting of a hypothesis test and coefficient of determination test (R2). The data analysis method in this research uses panel data regression analysis with the following equation.

$TA_{it} = \alpha + \beta_1 FS_{it} + \beta_2 TC_{it} + \beta_3 TP_{it} + \beta_4 EM_{it} + \beta_5 P_{it} + \varepsilon$

Description:

TA_{it} = Tax Avoidance
α = Constant
$\beta_1, \beta_2, \beta_3, \beta_4, \beta_5$ = Coefficient Regression
FS_{it} = Firm Size
TC_{it} = Thin Capitalization
TP_{it} = Transfer Pricing
EM_{it} = Earnings Management
P_{it} = Profitability
ε = Error

3. RESEARCH RESULT AND DISCUSSION

3.1 Descriptive Statistic

Descriptive statistical test results from observational data on manufacturing companies listed on the Indonesia Stock Exchange for the 2017-2021 period can be seen in Table 4.

Table 4. Descriptive Statistic Result

	Tax Avoidance	Firm Size	Thin Capitalization	Transfer Pricing	Earnings Management	Profitability
Mean	0.482215	29.21442	0.833759	0.042590	-0.020647	0.069163
Maximum	39.87294	32.72561	5.370085	0.469654	1.152623	0.920997
Minimum	-2.622902	25.66354	-2.127341	0.000000	-0.583465	-2.640992
Std. Dev.	2.971641	1.694720	0.848232	0.079476	0.159702	0.221645

Table 4 shows that tax avoidance has a minimum value of -2.622902 and a maximum value of 39.87294. Tax avoidance has an average of 0.482215 and a standard deviation of 2.971641. Firm size shows a minimum value of 25.66354 and a maximum value of 32.72561. Firm size has an average of 29.21442 and a standard deviation of 1.694720. Thin capitalization shows a minimum value of -2.127341 and a maximum value of 5.370085. Thin capitalization has an average of 0.833579 and a standard deviation of 0.848232. Transfer pricing has a minimum value of 0.00000 and a maximum value of 0.469654. Transfer pricing has an average of 0.042590 and a standard deviation of 0.079476. Earnings management shows a minimum value of -0.583465 and a maximum value of 1.152623. Earnings management has an average of -0.020647 and a standard deviation of 0.159702. Profitability shows a minimum value of -

2.640992 and a maximum value of 0.920997. Profitability has an average of 0.069163 and a standard deviation of 0.221645.

3.2 Classical Assumption Tests

The classic assumption tests results including normality, multicollinearity, and heteroscedasticity test. Based on the results of the normality test, the Jarque-Bera probability value is 0.11431, which is more than 0.05, so the data is normally distributed. Based on the results of the multicollinearity test, the correlation value between the two variables is less than 0.80. It can be concluded that there is no multicollinearity in the regression model used in the research and nearly perfect relationship in the regression model. Based on the results of the heteroscedasticity test, the Obs*R-Squared probability value is 0.481120, which is more than 0.05. It can be concluded that the regression model does not contain heteroscedasticity problems.

3.3 Model Feasibility Test

The model feasibility test in this research involved the Chow Test in Table 5 and the Lagrange Multiplier Test in Table 6.

Table 5. Chow Test Results

Effects Test	Prob.
Cross-section Chi-square	0.471

Table 6. Lagrange Multiplier Test Results

	Test Hypothesis		
	Cross-section	Time	Both
Breusch-Pagan	0.189122	0.502316	0.691438
	(0.6158)	(0.4523)	(0.3825)

Based on Table 5, it can be seen that the Chi-square Cross Section probability value is 0.471 where the Chi-square Cross Section probability value is > 0.05 so it can be concluded that the common effect model was selected in the Chow test. Based on Table 6, it can be seen that the probability value of the Breusch-Pagan Cross Section is 0.6158 where the probability value of the Breusch-Pagan Cross Section is > 0.05 so it can be concluded that the common effect model is selected in the Lagrange multiplier test.

3.4 Hypothesis Testing

Based on the selected model, the best panel data regression model is common efect model. The following result in table 7 is the common effect model test result which is the model chosen in this research.

Table 7. Common Effect Model Test Results

Variable	Coefficient	Prob.
Constant	0.10251	0.16210
Firm Size	0.24218	0.04226
Thin Capitalization	0.51845	0.01190
Transfer Pricing	-1.01947	0.28541
Earnings Management	0.18114	0.56955
Profitability	-0,27721	0.11442

Based on table 7, the panel data regression equation in this research can be formulated as follows.

$TA_{it} = 0.10251 + 0.24218\ FS_{it} + 0.51845TC_{it} - 1.01947TP_{it} + 0{,}18114EM_{it} – 0{,}27721P_{it} +\varepsilon$

The probability value of firm size is 0.04226 with a positive regression coefficient value of 0.24218 which indicates that Ha_1 is accepted, so it can be concluded that firm size has positive effect to tax avoidance. The probability value of thin capitalization is 0.01190 with a positive regression coefficient value of 0.51845 which indicates that Ha_2 is accepted, so it can be concluded that thin capitalization has a positive and significant effect on tax avoidance. The transfer pricing probability value is 0.28541 with a negative regression coefficient value of –1.01947 which indicates that Ha_3 is rejected, so it can be concluded that transfer pricing has no effect and is not significant on tax avoidance. The probability value of earnings management is 0.56955 with a positive regression coefficient value of 0.18114 which indicates that Ha_4 is rejected, so it can be concluded that earnings management has no effect and is not significant on tax avoidance. The profitability probability value is 0,11442 with a negative regression coefficient value of -0.27721 which indicates that tax avoidance can't be controlled by profitability.

3.5 Determination Coefficient Test

The following result in table 8 is the determination coefficient result.

Table 8. Determination Coefficient Test Result

Test	Value
Adjusted R-Square	0.389261

Based on the selected model and result test from table 8, it shows that the adjusted R-Square value is 0.389261 or equal to 38,93 %. This shows that the dependent variable, such as tax avoidance which can be explained by the independent variables, such as firm size, thin capitalization, transfer pricing, and earnings management which is controlled by profitability is 38,93 %. While the remaining 61,07 % is explained by other independent variables that are not discussed in this research model.

3.6. Hypothesis Test

3.6.1 The Effect of Firm Size on Tax Avoidance

The result of testing the first hypothesis proves that firm size has a positive and significant effect on tax avoidance. The results of this research are in line with the results of research from Ichsani & Susanti (2019), Yahaya & Yusuf (2020), Wardani & Puspitawari (2022), Paramita, et al. (2022), and Rizka & Rahayu (2023). The results of this research are not in line with

Warumu & Kartikaningdyah (2019), Sonia & Suparmun (2019), and Kalbuana et al. (2020). The larger the firm size, the higher the tendency for the company's compliance or aggressive to do tax avoidance practice. The firm size can trigger agency problems with tax avoidance behavior to minimize tax burden along with increasing tax obligation due to differences in interests between various parties including management, shareholders, and tax authorities.

The smaller firms need qualified tax specialists to properly handle the tax burden imposed on them, compare to larger companues that has more qualified tax specialists. Large firms will be more active in pursuing tax avoidance to reduce tax burden by doing tax avoidance practice since they have numerous resources to affect governmental policy in their favor. By comparing the total assets that controlled by the company, the transactions will become more complex and the income will increase as the company grows. The larger the firm size, the firm can do businesses that constructed on a large scale by allocating their significant assets to generate more profits. The companies that routinely make more profits are more likely to engage in tax avoidance since large profits entail a significant tax burden.

3.6.2 The Effect of Thin Capitalization on Tax Avoidance

The result of testing the second hypothesis proves that thin capitalization has a positive and significant effect on tax avoidance. The results of this research are in line with the results of research from Andawiyah et al. (2019), Suntari & Mulyani (2020), Irawan & Novitasari (2021), and Utami & Irawan (2022). The results of this research are not in line with Utami et al. (2020), Hutomo et al. (2021), and Rini et al. (2022). Companies that have a debt value that is greater than the capital they have can be classified as companies that carry out thin capitalization practices with the aim of tax avoidance. Companies that have higher debt than capital provide benefits for the company because debt generates interest payments that are not subject to tax but receive tax incentives, thereby reducing taxable income.

Companies that have higher capital than debt can increase the tax burden because by investing in capital the company receives dividends and is taxed. The difference in the treatment of debt and capital results in companies having the opportunity to practice thin capitalization to avoid taxes payment so that companies prefer to have higher debt than capital. Tax avoidance can be caused by the influence of thin capitalization practices because tax avoidance can cause the companies to pay interest expenses and reduce profits, which can reduce the company's income tax burden. The results of this research support the agency theory which states that the practice of thin capitalization is an attempt by owners to finance companies from debt to reduce profits and taxes owed. This is the impact of charging interest on debt owned by the company.

3.6.3 The Effect of Transfer Pricing on Tax Avoidance

The result of testing the third hypothesis proves that transfer pricing does not affect tax avoidance. The results of this research are in line with the results of research from Utami et al. (2020), Robin et al. (2021), Hutomo et al. (2021), and Ardillah & Vanesa (2022). The result of this research is not in line with Suntari & Mulyani (2020), Fitriani et al. (2021), and Utami & Irawan (2022). Transfer pricing is an action that can be taken by companies that are aggressive towards taxes aimed at achieving company goals, efforts made by management, minimizing the tax burden, and others. Transfer pricing practices are not a factor for companies to avoid taxes payment. This is because manufacturing companies in the consumer goods sector, which are mostly domestic companies, do not have the opportunity to transfer their assets to subsidiaries in tax haven countries and there is no special relationship with related parties. Based on agency theory, transfer pricing practices are based on the assumption that self-interest means that the parties involved have their own interests, so this result is not in accordance with agency theory.

Transfer pricing indicates a special relationship with related parties, such as subsidiary companies in tax haven countries or lower tax rates compared to tax rates in Indonesia so that companies can pay lower taxes. However, this assumption contradicts the results of this research. These results from observational data stated that the company does not practice transfer pricing because the company does not have transactions with related parties. Trade receivables from related parties owned by manufacturing companies in the consumer goods sector are relatively small, so there is no significance to the company's transfer pricing efforts. As a result, companies in this sector are more obedient to the provisions that apply in Indonesia regarding transfer pricing practices (Hutomo et al., 2021).

3.6.4 The Effect of Earnings Management on Tax Avoidance

The result of testing the fourth hypothesis proves that earnings management does not affect tax avoidance. The results of this research are in line with the results of research from Handayani & Mardiansyah (2021). The result of this research is not in line with Machdar (2019), Wardani, et al. (2019), Robin et al. (2021), Mappadang (2021), Marfiana & Putra (2021), Oktaviani et al. (2021), and Thalita et al. (2022). Earnings management is an effort made by company management to achieve a goal for the benefit of the company or management, such as minimizing the payment of taxes owed, making financial reports in good condition, and others. The management takes these actions to benefit the company, such as being able to reduce the taxes owed (Oktaviani et al., 2021).

Based on agency theory, earnings management consists of two parties who have different interests between the agent and the principal. The agent, such as the owner of the company, is trying to find out how the company can pay taxes to the state at a low rate so that it can increase profits. Meanwhile, the principal, such as the company's management, tries to see how external parties assess the company's good performance. The difference in interests between agents and principals in earnings management actions is a factor that cannot directly influence tax avoidance. Manufacturing companies in the consumer goods sector can be a factor that does not affect earnings management on tax avoidance, because manufacturing companies in the consumer goods sector support humans in everyday life. Therefore, management does not carry out earnings management practices to minimize the tax payable which later can cause a decrease in the value of the company by investors, creditors, and other stakeholders. In addition, the act of minimizing the tax payable and maximizing profits by doing tax avoidance can be a threat to the company. It can add to the company's burden when there is a tax audit and a violation is found that is not in accordance with tax provisions that could make the company spend more money to pay fines for the violation.

4. CONCLUSIONS AND SUGGESTIONS

4.1 Conclusion

Based on the results of testing the hypothesis, the test of the first hypothesis states that firm size affects positively to tax avoidance. The larger the firm size, the higher the tendency for the company's compliance or aggressive to do tax avoidance practice. The test of the second hypothesis states that thin capitalization affects positively to tax avoidance. Companies that have a greater amount of debt than the amount of capital had aggressive efforts to do tax avoidance to minimize tax payments. This is caused by the difference in the treatment of debt that caused interest expense of the debt owned by the company can reduce the tax payable. The test of the third hypothesis states that transfer pricing does not affect tax avoidance.

Manufacturing companies in the consumer goods sector are mostly domestic companies, so they do not have the opportunity to transfer their assets to subsidiaries in tax haven countries and there is no special relationship with related parties. The test of the fourth hypothesis states that earnings management does not affect tax avoidance. The management of the company performs earnings management in addition to minimizing the tax payable, it can also increase profits to improve the company's good and stable performance.

4.2 Limitations and Suggestions

This research has limitations with firm size and thin capitalization that had a positive effect on tax avoidance, while transfer pricing and earnings management did not affect tax avoidance. This research also limits the research subjects to manufacturing companies in the consumer goods subsector which are listed on the Indonesia Stock Exchange. The author suggests next researcher who wishes to conduct similar research use other independent variables that can affect tax avoidance such as financial distress as stated in Ahdiyah & Triyanto (2021) because when the company experiences financial difficulties the company needs to maintain the cash position by minimizing cash expense especially tax expense by doing tax avoidance. The next researcher can expand the research sample to be manufacturing companies in the other subsectors of manufacturing companies such as miscellaneous industry because these sub-sectors can make transactions with special parties more likely and have many export and import transactions which can lead the company to have transfer pricing activities and likely do tax aggressiveness.

5.3 Implication

The results of this research can serve as a basis for future academics or researchers for reference in further research related to the effect of firm size, thin capitalization, transfer pricing, and earnings management on tax avoidance. For practitioners, such as company management, this research is expected to increase awareness to comply with paying taxes and not to do tax avoidance. For the government, especially the Directorate General of Taxes, this research is expected to be an evaluation material and make policies regarding tax regulations to reduce the company's tax avoidance practice.

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DOES THE DISCLOSURE OF ISLAMIC CORPORATE SOCIAL RESPONSIBILITY, ISLAMIC CORPORATE GOVERNANCE, PROFITABILITY, AND BANK SIZE AFFECT TAX AVOIDANCE IN ISLAMIC COMMERCIAL BANKS IN INDONESIA?

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Abstract— This paper investigates the influence of Islamic Corporate Social Responsibility (ICSR), Islamic Corporate Governance (ICG), profitability, and bank size on tax avoidance in Islamic Commercial Banks in Indonesia. This paper introduces a novel perspective on the factors contributing to tax avoidance within Indonesia's Islamic finance framework. While the general notion of tax management is recognized, this study innovatively explores the intersection of Islamic principles, corporate governance, and tax practices, providing insights that have not been adequately explored in prior research. The study employs a panel data regression analysis, utilizing data from 13 Islamic Commercial Banks spanning 2017-2022, totaling 58 observations. This research approach enables an in-depth investigation into the relationships between ICSR disclosure, ICG, profitability, bank size, and tax avoidance. The empirical findings indicate that ICSR disclosure, the proportion of independent commissioners, and the audit committee positively influence tax avoidance practices. Conversely, the Sharia Supervisory Board and bank size negatively correlate with tax avoidance. Surprisingly, as measured by Return on Assets (ROA), profitability does not significantly impact tax avoidance decisions. This study underscores the intricate connections between Islamic corporate practices, governance structures, and tax avoidance strategies in Islamic Commercial Banks. The research highlights the significance of ICSR disclosure, corporate governance effectiveness, and the presence of religious oversight in shaping transparent and accountable tax practices. Furthermore, the research cautions against overreliance on profitability as a determinant of tax avoidance behaviors.

Keywords: Bank Size; Islamic Corporate Governance, Profitability; Islamic Corporate Social Responsibility; Tax Avoidance

1. INTRODUCTION

1.1 Research Background

Taxes are the country's primary and largest source of income, derived from the citizens. Government revenue through the taxation sector holds the highest percentage among other sources of income in Indonesia (Tandean, 2016). Taxes serve as a source of state income that provides benefits to finance government expenditures (budgetary function). They drive the gears of governance and contribute to national development funding while supporting economic activities, acting as tools for regulating and implementing government policies in social and economic aspects through public facilities for the community (Mardiasmo, 2013). The state's tax revenue has increased over the past few years, yet it has not been optimal as it has not met the government's set targets. As a result, the potential tax revenue has not been maximized (Moeljono, 2020). An overview of the target and actual taxation figures in Indonesia for 2017-2020 is provided in Table 1.

Table 1. The phenomenon of Tax Revenue Target and Realization in Indonesia for the Period 2017-2020 (in Trillion Rupiahs)

Tax Revenue	2017	2018	2019	2020
Tax Revenue Target	1,283.6	1,424	1,577.56	1,198.82
Tax Revenue Realization	1,151.03	1,315.51	1,332.06	1,069.98
Tax Revenue Percentage	89.67%	92.24%	84.44%	89.25%

Source: Directorate General of Taxes (DJP) Performance Report for the years 2017-2020

As shown in Table 1, tax revenue realization demonstrates an increase, though the increments are inconsistent and tend to fluctuate. This increase is not ideal; ideally, it should correlate with the growth ratio of the population and the economy, leading to an increase in taxpayers (Moeljono, 2020). The inability to achieve these tax targets can be attributed to several factors, including company tax management practices (Munawaro & Ramdany, 2019). For the nation, taxes represent a source of revenue capable of contributing to the prosperity of the people (Huseynov & Klamm, 2012, as cited in Amalia, 2019). Conversely, companies' taxes burden their net income (Kurniasih et al., 2013). This sets the stage for a conflict of interest between the government and taxpayers, prompting companies to undertake measures to reduce their tax liabilities. Differences in interests between the fiscal authorities, who seek maximized and sustained tax revenue, and companies desiring minimal tax payments (Hardika, 2007, as cited in Kurniasih et al., 2013) give rise to tax avoidance strategies to mitigate the tax burden and reduce net income (Purbowati & Yuliansari, 2019). Such practices are motivated by maximizing shareholders' benefits (Arinta, 2019).

Various approaches, both legal and illegal, can be employed by companies to engage in tax avoidance. Pohan (2016) outlines legal strategies for reducing tax burdens: firstly, tax saving involves delaying the purchase of taxed products, thereby reducing the tax rate due to lower taxable income. Secondly, tax avoidance is a strategy for evading tax payments using gaps or ambiguities in tax regulations to minimize the tax burden (grey areas), allowing companies to avoid tax (Pohan, 2016).

The phenomenon of tax avoidance in Indonesia, highlighted in "The State of Tax Justice 2020: Tax Justice in the Time of Covid-19" by the Tax Justice Network, estimates that tax evasion in Indonesia has resulted in an estimated loss to the country of US$ 46.8 billion (IDR 68.7 trillion), of which approximately US$ 4.78 billion (IDR 67.6 trillion) is attributed to corporate tax avoidance and the remainder of US$ 78.83 million (IDR 1.1 trillion) is attributed to individual tax avoidance (nasional.kontan, 2020). Another tax-related case involved a Sharia financial institution, Bank BNI Syariah, which in 2007 was accused of tax arrears by the Directorate General of Taxes (DJP) amounting to IDR 128.2 billion for transactions conducted through murabahah contracts, including Value-Added Tax (VAT) for murabahah transactions totaling IDR 108.2 billion, along with administrative fines of IDR 20 billion (Kompas.com, 2010). Persistent tax avoidance can prove detrimental to the state's income through taxation (Khairunisa et al., 2017).

Furthermore, the responsibility of Corporate Social Responsibility (CSR) is considered as an extension of a company's commitment to act ethically and contribute to economic development, thereby improving the quality of life of employees and their families, the local community, and the environment. CSR is essential to the company's success and sustainability (Lanis & Richardson, 2011). Similarly, tax and CSR share the common ground of providing social contributions to the community. As companies become more aware of the significance of CSR, they also recognize the importance of their contribution through tax payments for the well-being of the larger community (Yoehana, 2013).

Aligning corporate governance with Islamic principles is essential to prevent companies from engaging in tax avoidance. As Zaki et al. (2019) mentioned, corporate governance implementation in Indonesia remains suboptimal, as company management, including executives, has not fully adhered to corporate governance principles. This assertion is supported by data from the Asian Corporate Governance Association (ACGA), which ranks Indonesia 12th in terms of good corporate governance implementation in Asia for 2018. This ranking is still subpar compared to neighboring countries like Singapore, Thailand, Malaysia, and the Philippines. The suboptimal ranking indicates that corporate governance implementation in Indonesia has not been fully realized. Corporate tax avoidance allows managers to act opportunistically in pursuit of short-term gains, diverting focus from long-term shareholder interests (Minnick & Noga, 2010).

Islamic Corporate Governance (ICG) is a model of Good Corporate Governance with a system and governance procedures that safeguard the rights and interests of stakeholders while adhering to Sharia principles (Iqbal & Mirrakhor, 2004). The ICG structure in this study is proxied by the proportion of independent board commissioners, the audit committee, and the Sharia Supervisory Board (Dewan Pengawas Syariah), which collectively oversee and control all activities of Islamic Commercial Banks. Riziqiyah and Pramuka (2021) found that the proportion of independent commissioners has a negative effect on tax avoidance. In contrast, Subagiastra et al. (2016), Sunarsih et al. (2019), and Triyanti et al. (2020) found that the size of the audit committee has no significant effect on tax avoidance. Conversely, Riziqiyah and Pramuka (2021) reported that the size of the audit committee negatively influences tax avoidance. Arinta (2019) and Riziqiyah and Pramuka (2021) found that the size of the Sharia Supervisory Board negatively affects tax avoidance.

Profitability refers to a company's capacity to generate earnings (Nawangsari et al., 2022). Companies with higher profitability and fewer fiscal loss compensations are more likely to experience higher effective tax rates (ETRs) (Subagiastra et al., 2016). A company's performance in generating earnings through its asset management is reflected in the Return on Assets (ROA). Higher profits signify effective business management (' Amala & Safriansyah, 2021). As profit is a taxable component, an increase in profits results in higher tax liabilities for the company. A higher ROA ratio triggers increased tax avoidance activities as companies strive to reduce their tax liabilities through tax avoidance to maximize their earnings (Triyanto & Rohmah, 2022). Prior research by Maharani and Suardana (2014), Nawangsari et al. (2022), and Sunarsih et al. (2019) found that profitability has a negative impact on tax avoidance. In contrast, Mahdiana and Amin (2020) and Sari and Kinasih (2021) found that profitability positively influences tax avoidance.

Company size is typically assessed through total assets, total equity, market value, or sales volume as the basis for categorizing companies as large or small (Machfoedz, 1994; Suwito & Herawati, 2005; Widagdo et al., 2020). The government often focuses more on larger companies, which can affect management behavior, leading to compliance or, conversely, tax avoidance (Kurniasih et al., 2013). Rusydi (2014) and Widagdo et al. (2020) found that company size does not affect tax avoidance. Dewi and Noviari (2017) and Oktamawati (2017) found that company size negatively influences tax avoidance. In contrast, Dewinta and Setiawan (2016), Dharma and Ardiana (2016), and Selviani et al. (2019) indicated that company size negatively affects tax avoidance.

This study differs from previous research in including the independent variable of Islamic Corporate Social Responsibility (ICSR) disclosure. Furthermore, earlier research has produced disparate findings (lacking consistency). The choice of Islamic Commercial Banks as the research object is motivated by the case of Bank BNI Syariah, which indicates that financial institutions with Sharia attributes are not exempt from engaging in tax avoidance activities. This study aims to analyze the influence of Islamic Corporate Social Responsibility (ICSR) disclosure, Islamic Corporate Governance (ICG), profitability, and bank size on tax avoidance in Islamic Commercial Banks in Indonesia for the period 2017-2022. This study is expected to contribute to understanding tax avoidance within Islamic finance and provide valuable insights for policymakers, regulators, and practitioners in managing tax practices in Islamic Commercial Banks.

1.2 Literature Review and Hypotheses Development

1.2.1 The Influence of Islamic Corporate Social Responsibility Disclosure on Tax Avoidance

Islamic Corporate Social Responsibility (ICSR) refers to a type of social responsibility grounded in Islamic philanthropy based on the Qur'an and Hadith, as well as Islamic economics and ethics (Cahyaningtiyas & Canggih, 2020). ICSR goes beyond legal regulations and is rooted in the relationship between Allah SWT, humans, and the environment (Khurshid et al., 2014). ICSR disclosure is intended for obtaining favorable responses and relationships with society (habluminannas) and as accountability to Allah SWT (habluminallah). In other words, all actions taken by a company are accountable in the hereafter, leading entities to avoid engaging in aggressive tax avoidance, whether intentional or unintentional, because they recognize that Allah SWT oversees all their activities.

Hardeck and Kim (2016) explain that the relationship between social responsibility disclosure and tax avoidance also involves ethical dimensions related to expectations of commitment from corporate social responsibility. Well-executed social responsibility activities create additional expectations that the company is also committed to compliance in other areas, strengthening the company's reputation and adherence to tax payment obligations. Consistent with legitimacy theory, companies operate within societal norms and expectations; therefore, to maintain these expectations, companies strive to retain legitimacy and sustainability by fulfilling social responsibilities and avoiding tax avoidance. Companies that disclose CSR demonstrate awareness and responsibility, which implies that they are less likely to engage in tax evasion practices. Research findings from Tiarawati (2016), Amalia (2019), Indriastuti et al. (2020), Sofianty and Herlina (2020), and Ritonga (2022) indicate that CSR has a negative impact on tax avoidance. This suggests that higher CSR disclosure minimizes tax avoidance activities by companies. However, Lukmana and Puspita (2023) found that CSR does not affect tax avoidance. Based on this explanation, the formulated hypothesis is as follows:

H1: Islamic Corporate Social Responsibility disclosure has a negative impact on Tax Avoidance.

1.2.2 The Influence of the Proportion of Independent Commissioners on Tax Avoidance

An independent commissioner is an individual who is not a controlling shareholder, is not affiliated with the board of directors or supervisory board, and does not hold a director position in the related company (Cahyono et al., 2016). According to agency theory, having a higher number of independent commissioners enhances their effectiveness in monitoring and controlling corporate management behavior, reducing the likelihood of management avoiding tax payments. The absence of independent commissioner oversight increases the potential for other executives to manipulate their positions to retain their roles and gain full control over their remuneration (Solomon, 2007, cited in Arinta, 2019).

Independent commissioners ensure that the board of commissioners maximizes its monitoring efforts while overseeing the company's profit-maximization endeavors. The maximization of performance and the proportion of independent commissioners enhance the oversight function within the company, contributing to effective corporate governance. Research findings from Maharani and Suardana (2014), Pratomo and Rana (2021), Riziqiyah and Pramuka (2021), and Saputri (2018) show a negative relationship between the proportion of independent commissioners and tax avoidance. This indicates that the presence of independent commissioners effectively reduces tax avoidance activities. Therefore, the formulated hypothesis is as follows:

H2: The proportion of Independent Commissioners has a negative impact on Tax Avoidance.

1.2.3 The Influence of the Audit Committee on Tax Avoidance

The audit committee is responsible for overseeing and reviewing the financial reporting process of the company to prevent fraud by management (Putriningsih et al., 2018). The audit committee plays a role in assessing monetary issues within the organization, accounting policies, and strategies for internal control (Suyono & Farooque, 2018). This assists principals, as investors, in obtaining relevant information about the company's condition through corporate management, the agent, to avoid information asymmetry and make informed decisions. The audit committee can influence the company's management in tax avoidance through its role in supervising the financial reporting process (Sarra, 2017). According to agency theory, a higher number of audit committee members is assumed to enhance their effectiveness in overseeing the financial reporting process conducted by company management, resulting in accurate financial reporting. Therefore, the presence of an audit committee is expected to diminish the management's tendency to manipulate earnings to evade taxes. Research findings from Fadhila et al. (2017), Trisusanti and Lasdi (2018), Prihatono et al. (2019), Riziqiyah and Pramuka (2021), and Ritonga (2022) indicate a negative relationship between the audit committee and tax avoidance. This suggests that the audit committee has successfully prevented tax avoidance. Consequently, based on the explanations, the formulated hypothesis is as follows:

H3: The Audit Committee has a negative impact on Tax Avoidance.

1.2.4 The Influence of the Sharia Supervisory Board on Tax Avoidance

The Sharia Supervisory Board (DPS) is a critical element in Islamic Financial Institutions. The main responsibility of the DPS is to monitor the day-to-day operations of the Islamic financial institution to ensure Sharia compliance. The level of trust in an Islamic bank is determined by the role of the DPS in implementing Sharia compliance monitoring, which is essential for achieving Corporate Governance (CG) in banking (Chariri, 2012). The Sharia Supervisory Board impacts the lower level of tax avoidance in a company; a higher number of DPS members maximizes their ability to control and oversee all activities of the Islamic bank, reducing actions inconsistent with Islamic ethical values, such as tax avoidance. The effectiveness of the DPS in fulfilling its responsibilities is expected to enhance banking compliance with Sharia principles and, consequently, prevent practices related to tax avoidance. Research by Apriliani et al. (2021) and Oktiawati (2022) demonstrates a relationship between the Sharia Supervisory Board and tax avoidance. Additionally, the findings of Riziqiyah and Pramuka (2021) suggest that the Sharia Supervisory Board negatively affects tax avoidance. This indicates that the more effectively the DPS fulfills its supervisory role, the better the bank's compliance in fulfilling its obligations, including tax payments. Based on this explanation, the formulated hypothesis is as follows:

H4: The Sharia Supervisory Board has a negative impact on Tax Avoidance.

1.2.5 Research Model

The research model is presented in Figure 1.

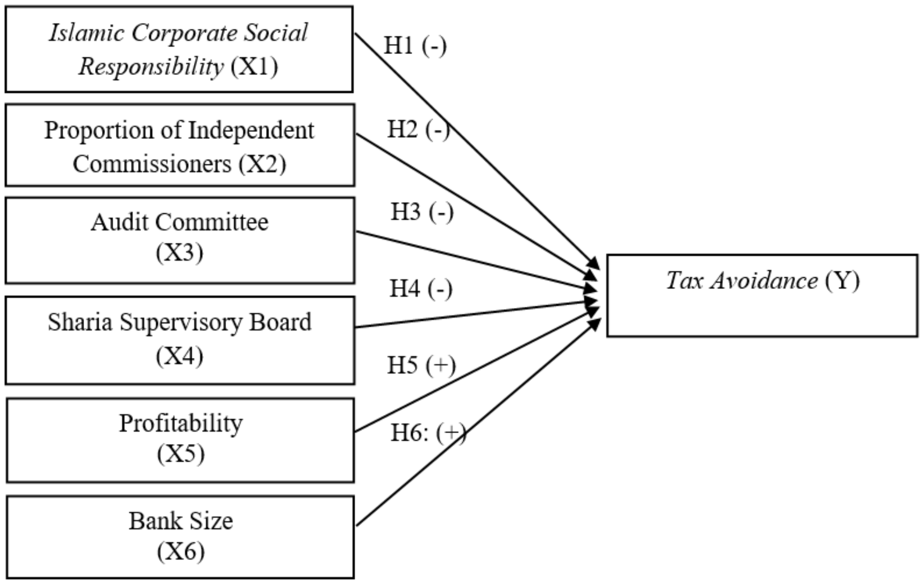

Figure 1. Research Model

2. RESEARCH METHOD

2.1 Population, Sample, and Sampling Technique

The population used in this study comprises all Islamic Commercial Banks operating in Indonesia from 2017-2022. The sampling technique employed is purposive sampling. The sampling criteria for this research are as follows: (1) Islamic Commercial Banks registered with the Financial Services Authority (OJK) during the period 2017-2022; (2) Islamic Commercial Banks that issued annual reports during the study period.

2.2 Data, Data Sources, and Data Collection Technique

The data used in this study is secondary data. This data is obtained from the annual reports or financial statements of Islamic Commercial Banks registered with the OJK from 2017-2022. The data sources for this study involve directly downloading the annual reports available on the official websites of the Islamic Commercial Banks. The data collection technique employed in this research is the documentation method. Documentation involves gathering data through observation, recording, analysis, and evaluation of secondary data without the need for direct fieldwork to study the research object.

2.3 Research Variables and Operational Definitions

2.3.1 Dependent Variable

Tax avoidance refers to efforts to minimize tax burdens by utilizing deficiencies or weaknesses (grey areas) in tax laws and regulations to reduce tax liabilities (Pohan, 2016: 23). The Cash Effective Tax Rates (CETR) method, as presented in the research by Hanlon & Heitzman (2010), is used to measure the aggressiveness of tax avoidance activities. The formula for calculating Cash ETR is as follows:

$$CETR = \frac{Cash\ Tax\ Paid}{Pre - Tax\ Income}$$

A higher CETR value indicates lower levels of tax avoidance activity the company conducts (Subagiastra et al., 2016).

2.3.2 Independent Variables

1. **Islamic Corporate Social Responsibility (ICSR)**

The Islamic perspective on Corporate Social Responsibility involves institutional responsibilities based on faith and devotion (*aqidah*), worship, as well as morality and ethics (*akhlaq*) rooted in Islamic values (Khurshid et al., 2014). In this study, ICSR disclosure uses the ISR index developed by Othman et al. (2009). The disclosure consists of 43 items. A dummy variable approach is used for this disclosure, where a value of 1 is assigned when item i is disclosed, and a value of 0 is assigned when item i is not disclosed. The formula to calculate the Islamic Corporate Social Responsibility Disclosure Index is as follows:

$$\text{ICSRDI} = \frac{\sum Xi}{nj}$$

Where: ICSRDI = Islamic Corporate Social Responsibility Disclosure Index; Xi = Dummy variable: 1 = item i disclosed, 0 = item i not disclosed; nj = Number of items for company

2. **Islamic Corporate Governance (ICG)**

a) Proportion of Independent Commissioners

The proportion of independent commissioners is the percentage that compares the number of independent commissioners to the total number of other board members responsible for supervising company management. The proportion of independent commissioners is measured using the formula from Arinta (2019) as follows:

$$PKI = \frac{Number\ of\ Independent\ Commissioners}{Commissioners}$$

b) Audit Committee

The measurement indicator used to assess the audit committee is the number of members on a company's audit committee (Oktamawati, 2017). According to PBI Number: 11/33/PBI/2009, the audit committee should consist of at least three members, one of whom is an independent commissioner also serving as the chairperson, while the other two are external, independent parties, one of whom possesses financial and banking expertise. The formula to assess the audit committee is:

$$\text{KA} = \sum \text{Number of audit committee members annually}$$

c) Sharia Supervisory Board

According to Faozan (2014), the Sharia Supervisory Board is an independent internal institution responsible for overseeing and ensuring that a bank's operations are conducted under Sharia principles. According to PBI Number: 6/24/PBI/2004, Article 26 (1), the

Sharia Supervisory Board must comprise at least two and a maximum of five members. The formula to measure the number of the Sharia Supervisory Board is:

$$DPS = \sum \text{Number of Sharia Supervisory Board members}$$

3. Profitability

Profitability represents a company's financial performance in generating earnings using its assets, often measured by Return on Assets (ROA) (Subagiastra et al., 2016). ROA provides insight into a company's ability to earn profits, indicating effective and efficient asset management. The formula to calculate ROA is:

$$ROA = \frac{\textit{Profit after taxes}}{\textit{Total Assets}} \times 100\%$$

4. Bank Size

According to Cahyono et al. (2016), company size involves categorizing companies into large and small based on various measurements such as total assets, average sales levels, total sales, or market value. Company size reflects consistency and capability in generating profits to sustain economic activities. The formula to assess bank size is:

$$SIZE = \text{Ln (Total Assets)}$$

2.4 Data Analysis Technique

Panel data regression analysis combines time series data (collected over time) with cross-sectional data (collected across different entities). Time series data generally include one object/individual observed over multiple periods (daily, monthly, quarterly, or yearly), while cross-sectional data consists of multiple objects or respondents observed at a specific time (Nengsih & Martaliah, 2021). Data in this study will be analyzed using the Eviews 10 program. The panel data regression model is as follows:

$$\mathbf{TA_{it} = \alpha + \beta_1 ICSR_{it} + \beta_2 PKI_{it} + \beta_3 KA_{it} + \beta_4 DPS_{it} + \beta_5 ROA_{it} + \beta_6 SIZE_{it} + \varepsilon}$$

Where: TA_{it} = Tax Avoidance for entity *i* in period *t*; α = Constant; $ICSR_{it}$ = Islamic Corporate Social Responsibility Disclosure for entity *i* in period *t*; PKI_{it} = Proportion of Independent Commissioners for entity *i* in period *t*; KA_{it} = Audit Committee for entity *i* in period *t*; DPS_{it} = Sharia Supervisory Board for entity *i* in period *t*; ROA_{it} = Return on Assets for entity *i* in period *t*; $SIZE_{it}$ = Bank Size for entity *i* in period *t*; ε: Error

3. RESULT AND DISCUSSION

3.1 Research Sample

The population for this study consists of Islamic Banks operating in Indonesia (Islamic Commercial Banks) from 2017 to 2022. Data for the research is collected from financial reports obtained through the respective websites of these Islamic Banks. Sample selection is performed using the purposive sampling method, which involves choosing companies that meet predefined criteria, as shown in Table 2.

Table 2. Research Sample

No.	Sample Criteria	N of Banks
1.	Islamic Commercial Banks registered with OJK during 2017-2022	14
2.	Islamic Commercial Banks that did not publish an annual report during 2017-2022	(1)
Total sample size during the research period		13

Source: Secondary data processed (2023)

Based on Table 2, it can be concluded that 13 Islamic Commercial Banks were used as the research sample. This study employs an unbalanced panel data approach with a total of 58 observations. The research period spans six years, from 2017 to 2022, as shown in Table 3.

Table 3. List of Bank Samples

No.	Code	Bank Name	Number of Observations
1.	BAS	Bank Aceh Syariah	6 years
2.	BCAS	Bank BCA Syariah	6 years
3.	BJBS	Bank Jabar Banten Syariah	6 years
4.	BMI	Bank Muamalat Indonesia	4 years
5.	BMS	Bank Mega Syariah	6 years
6.	BNIS	Bank BNI Syariah	4 years
7.	BNTBS	Bank Nusa Tenggara Barat Syariah	4 years
8.	BPDS	Bank Panin Dubai Syariah	2 years
9.	BRIS	Bank BRI Syariah	4 years
10.	BSB	Bank Syariah Bukopin	4 years
11.	BSI	Bank Syariah Indonesia	2 years
12.	BSM	Bank Syariah Mandiri	4 years
13.	BTPNS	Bank BTPN Syariah	6 years

Source: Secondary data processed (2023)

3.2 Descriptive Statistics

Descriptive statistics provide an overview or description of data through measures such as mean, standard deviation, variance, maximum, minimum, sum, range, kurtosis, and skewness (distribution asymmetry) (Ghozali, 2006:19). The descriptive statistics of this study can be seen in Table 4.

Table 4. Descriptive Statistics

	CETR	ICSR	PKI	KA	DPS	ROA	SIZE
Mean	0.2796	0.6215	0.6719	4.2586	2.3793	2.0690	30.6329
Median	0.2493	0.6279	0.6667	4.0000	2.0000	1.2100	30.3840
Maximum	0.9485	0.8140	1.0000	10.0000	4.0000	13.5800	33.3537
Minimum	0.0000	0.3488	0.5000	3.0000	2.0000	-5.6900	29.2800
Std. Dev	0.2245	0.1242	0.1618	1.6390	0.5565	3.3859	0.9853
Sum	16.21	36.05	38.97	247.00	138.00	120.00	1776.70
Observation	58	58	58	58	58	58	58

Source: Secondary data processed (2023)

3.3 Panel Data Regression Estimation Model Selection

Several methods can be used to estimate panel data regression models, including the common effect model, fixed effect model, and random effect model. These models will be tested to determine the most appropriate method for this research. The results of the panel data regression model tests can be seen in Table 5.

Table 5. Results of Panel Data Regression Model Selection

Test Name	*Effects Test*	Prob.	Sig.	Model Fit
Chow Test	Cross-section chi-square	0,0000	0,05	*Fixed Effect*
Hausman Test	Cross-section random	0,0000	0,05	*Fixed Effect*

Source: Secondary data processed (2023)

Based on the results of the Chow test, it is known that the chi-square probability value of 0.000 < 0.05, indicates that the selected model is the fixed effect model. After obtaining the fixed effect model, the next step is to perform the Hausman test to compare the fixed effect model with the random effect model. Based on Table 5, it is evident that the cross-section random probability value of 0.000 < 0.05, leading to the conclusion that the selected model is the fixed effect model.

3.4 Panel Data Regression Analysis

This study employs the fixed effect model for panel data regression analysis. The selection of the fixed effect model as the panel data analysis method has been done previously through the Chow test and the Hausman test, confirming that the fixed effect model is the most suitable approach for testing panel data in this research.

Table 6. Panel Data Regression Results

Variable	Coefficient	Std. Error	Prob.
C	10.95932	2.327278	0.0000
ICSR	0.613750	0.219100	0.0040
PKI	0.607221	0.248462	0.0096
KA	0.061226	0.031443	0.0294
DPS	-0.201220	0.069924	0.0033
ROA	0.006508	0.014003	0.3224
SIZE	-0.367731	0.077114	0.0000

Source: Secondary data processed (2023)

1. The Influence of Islamic Corporate Social Responsibility on Tax Avoidance

Based on the results of the tests presented in Table 6, this study demonstrates that Islamic corporate social responsibility positively influences tax avoidance. This implies that a higher level of ICSR disclosure will increase a company's tax avoidance activities. Lanis and Richardson (2012) state that companies disclose CSR activities to mitigate the negative perception from the public that arises due to the company's tax avoidance practices. They also aim to show that the company meets societal expectations through means other than tax payments by engaging in more extensive CSR activities. Additionally, Purbowati and Yuliansari (2019) argue that CSR reporting in sustainability reports may not necessarily align with actual conditions due to a lack of control over disclosure in sustainability reports.

The positive influence of ICSR activities on tax avoidance could also be due to certain items within CSR that can be treated as expenses to reduce gross income, thereby decreasing the company's taxable income. These items are specified in Government Regulation No. 93 of 2010. Consequently, this contradicts the legitimacy theory, where companies are expected to conduct their operations within prevailing norms and socially responsible bounds to earn positive legitimacy from society. Paradoxically, companies can use CSR to mask their opportunistic actions in reducing tax burdens through tax avoidance. The findings of this research do not support the findings of Amalia (2019), Indriastuti et al. (2020), and Sofianty and Herlina (2020) that state a negative relationship between CSR and tax avoidance. However, this study supports the research conducted by Rahmawati et al. (2016) and Yunistiyani and Afrizal (2016), which state that fulfilling CSR obligations is primarily done to maintain a positive image and gain support from the community and the environment.

2. The Influence of the Proportion of Independent Commissioners on Tax Avoidance

Based on the results presented in Table 6, this study indicates that the proportion of independent commissioners positively and significantly influences tax avoidance. This means that a higher proportion of independent commissioners is associated with increased tax avoidance. This positive correlation aligns with Sari et al. (2020), who argue that a higher number of commissioners from outside the company can lead to difficulties in communication and coordination among board members, reducing their effectiveness in overseeing and controlling the performance of directors and management transparently, accountably, and responsibly. Alternatively, according to Pohan (2008), the presence of independent commissioners might be utilized merely to comply with Financial Services Authority

Regulation No. 33/POJK.04/2014 or as a symbolic application of good corporate governance mechanisms.

Independent commissioners can influence a company's tax avoidance policy as intermediaries between management (agents) and company owners (principals) to ensure that decisions regarding company strategies and policies, including tax payment decisions, adhere to the prevailing regulations. The results of this study do not support the agency theory put forth by Jensen and Meckling (1976), which posits a separation between management and company ownership. In this case, company owners still play a dominant role in determining the company's policy direction, enabling them to utilize their power for tax avoidance activities. Annisa and Kurniasih (2012) add that the number of independent commissioners is not the main determinant of effective management oversight. This study supports the research conducted by Dewi (2019), Sari and Somoprawiro (2020), and Sari et al. (2020), which state that the proportion of independent commissioners has a positive influence on tax avoidance.

3. The Influence of the Audit Committee on Tax Avoidance

Based on the results presented in Table 6, this study shows that the audit committee positively influences tax avoidance. This finding contradicts the commonly held justification that a higher number of audit committee members would reduce tax avoidance activities. Sumartono and Puspitasari (2021) suggest that the formation of the audit committee structure and members are the responsibility of the board of commissioners. Thus, any misuse of power by the board of commissioners regarding the minimum composition or the increase in the number of audit committee members could worsen tax avoidance within the company.

According to Ayu and Kartika (2019), the quality of the audit committee is not determined by the number of its members but rather by their common sense, intelligence, and independent perspectives. Similarly, as mentioned by Mulyani et al. (2018), if companies establish an audit committee merely to comply with existing regulations without fully implementing corporate governance functions based on applicable principles and guidelines, the audit committee's ability to minimize harmful actions such as tax avoidance would be compromised. Thus, this contradicts agency theory, as the presence of an audit committee cannot necessarily reduce information asymmetry between agents and principals. The study by Tendean (2016) suggests that this is due to agency conflicts. This arises because the audit committee's inability to enhance the integrity and credibility of financial reporting permits conflicts of interest between agents and principals, enabling them to make self-benefiting decisions through earnings management or by manipulating tax burdens.

According to Mulyani et al. (2018), the audit committee should be updated with good systems and technology and evaluated periodically to ensure maximum corporate governance implementation, enabling the committee to monitor deviant transactions and courageously provide accurate opinions that help minimize tax avoidance activities within the company. This study supports the research conducted by Mulyani et al. (2018), Tiala et al. (2019), and Sumartono and Puspitasari (2021), which state that the audit committee has a positive influence on tax avoidance.

4. The Influence of the Sharia Supervisory Board on Tax Avoidance

Based on the results presented in Table 6, this study indicates that the Sharia Supervisory Board negatively influences tax avoidance. This result aligns with the justification that a higher number of members on the Sharia Supervisory Board leads to reduced tax avoidance within the company. The negative correlation is attributed to the independent nature of the Sharia Supervisory Board within the banking sector, rendering it unaffected by management, the board of directors, and shareholders. According to Haniffa and Hudaib (2007), the role of the Sharia Supervisory Board is to internally control the company through review and supervision tasks to ensure compliance with Sharia principles.

Arinta (2018) states that a Sharia Supervisory Board with a strong reputation, experience, and knowledge can enhance its monitoring function over Islamic banking activities to prevent actions such as tax avoidance that contravene Islamic ethical values. Moreover, a larger size of the Sharia Supervisory Board, according to Muhammad et al. (2021), corresponds to a higher level of Sharia understanding in banking operations. Furthermore, the Sharia Supervisory Board tends to have expertise beyond Sharia, which can enhance its efficiency and effectiveness in reducing aggressive tax avoidance behavior. The size of the Sharia Supervisory Board, according to Quttainah and Almutairi (2016), also reduces management's tendency to engage in unethical business practices, preventing transactions that go against vertical (Allah SWT) and horizontal (society) relationships. Thus, it is expected that through Sharia compliance, banks will adhere to tax payments, contributing to the well-being of society. The results of this research do not support the findings of Arinta (2018) and Taufik (2022), which state that the Sharia Supervisory Board positively influences tax avoidance. However, this study supports the research conducted by Riziqiyah and Pramuka (2021), which states that the Sharia Supervisory Board negatively influences tax avoidance.

5. The Influence of Profitability on Tax Avoidance

Based on the results presented in Table 6, this study indicates that profitability does not influence tax avoidance. Aulia and Mahpudin (2020) argue that higher levels of company profitability lead to increased net profits. Through higher profits, companies are assumed to not engage in tax avoidance activities, as they can manage their income to meet tax payments and exhibit good tax planning capabilities. A positive Return on Assets signifies effective performance in generating profits from the assets owned, as Plesko (2004) noted. Higher profits indicate a company's capacity to pay expenses, including taxes, adhere to tax regulations, and minimize tax avoidance activities. According to Triyanti et al. (2020), tax avoidance activities carry risks, as aggressive tax avoidance can lead to significant costs, including fees paid to tax consultants, time spent on tax audits, damage to reputation, or penalties imposed by tax authorities. Therefore, management will avoid such risks. The findings of this research support the research conducted by Oktaviani and Solikhah (2019), Triyanti et al. (2020), and Prasatya et al. (2020), which state that profitability does not influence tax avoidance.

6. The Influence of Bank Size on Tax Avoidance

Based on the results presented in Table 6, this study indicates that company size negatively influences tax avoidance. This implies that larger companies are associated with reduced tax avoidance. Larger companies are subject to greater scrutiny and oversight by authorities, including tax authorities, as argued by Sidauruk and Putri (2022). Hence, management in larger companies is less likely to engage in avoidance practices to maintain a positive image in the public eye. Larger companies also avoid utilizing their power to conduct tax planning due to the potential to attract regulatory attention and scrutiny. According to Khomsiyah et al. (2021), larger companies tend to be more cautious in their financial reporting and are more transparent in disclosing financial information. Furthermore, as indicated by Munandar et al. (2016), large companies tend to avoid tax avoidance by leveraging their large asset base to use depreciation or amortization as deductions from taxable income, obviating the need for aggressive tax avoidance practices. The findings of this research support the research conducted by Munandar et al. (2019), Praditasari and Setiawan (2017), and Oktamawati (2017), which state that company size has a negative influence on tax avoidance.

4. CONCLUSION

This study delves into the influence of Islamic Corporate Social Responsibility (ICSR), Islamic Corporate Governance (ICG), profitability, and bank size on tax avoidance practices within Islamic Commercial Banks operating in Indonesia. The findings reveal that both ICSR and ICG, measured by the Proportion of Independent Commissioners (PKI), the Audit Committee (KA), and the Sharia Supervisory Board (DPS), exert a positive influence on tax avoidance behavior. Conversely, profitability, as measured by Return on Assets (ROA), does not significantly impact tax avoidance, while bank size demonstrates a negative effect.

The study acknowledges its limitations, including focusing on a single sector (Islamic Commercial Banks) in a single country (Indonesia) and utilizing a restricted set of independent variables. Additionally, the study's reliance on secondary data derived from annual reports may not fully capture the intricacies of ICSR and ICG practices.

Future research endeavors should consider incorporating additional independent variables that may influence tax avoidance tendencies, exploring different subjects such as the mining sector or other industries, expanding data collection beyond annual reports to encompass sustainability reports and corporate governance reports, employing a more comprehensive Corporate Social Responsibility (CSR) disclosure index for more accurate CSR disclosure measurements, and utilizing alternative proxies to gauge tax avoidance, such as Effective Tax Rates (ETR), Book Tax Differences (BTD), or Current ETR. By addressing these limitations and pursuing these future research directions, researchers can further enhance our understanding of tax avoidance in the Islamic finance industry and contribute to effective policymaking and regulatory practices.

The study's findings hold significant implications for policymakers, regulators, and practitioners within the Islamic finance industry. Firstly, ICSR and ICG practices can influence tax avoidance behavior in Islamic Commercial Banks. Policymakers and regulators should encourage Islamic Commercial Banks to adopt robust ICSR and ICG principles to foster transparent and responsible tax practices. Secondly, the negative impact of bank size on tax avoidance suggests that larger banks face increased scrutiny and adopt more conservative tax practices. Regulators should ensure that Islamic Commercial Banks of all sizes adhere to tax regulations and avoid aggressive tax planning strategies. Thirdly, the study underscores the need for further research on tax avoidance in the Islamic finance industry, including studies of other sectors and using more comprehensive CSR and tax avoidance measurement tools.

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APAKAH PENGUNGKAPAN KEBERLANJUTAN DAN PELAPORAN TERINTEGRASI DALAM MENURUNKAN RISIKO IDIOSINKRATIK?

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Abstract - *Risk is something that most investors encounter when investing. Idiosyncratic risk is a risk that can be controlled and diversified to lessen it. Idiosyncratic risks arise due to internal firm conditions, which can stem from manager policies. This study aims to investigate the impact of sustainability disclosure and integrated reporting on idiosyncratic risks. This quantitative study uses research data from the financial reports of manufacturing businesses listed on the IDX between 2016 and 2020, found at www.idx.co.id. This study also makes use of data from www.financial.yahoo.com. Furthermore, this study uses monthly data on 10-year government bond yields from www.bloomberg.com. Purposive sampling was used to select 555 observations (firm-year) for this study. According to this study, sustainability disclosure has a beneficial influence on idiosyncratic risk when utilizing both the market and Fama-French models. Using the Fama-French model, this study discovered that integrated reporting had a favorable influence on idiosyncratic risk. Integrated reporting, on the other hand, has no influence on idiosyncratic risk when utilizing the market model. This study extends capital market-based financial accounting research by using non-financial data and information essential in making investment decisions in addition to financial report figures.*

Keywords: Disclosure; Investment; Non-Financial; Non-Systematic Risk

1. PENDAHULUAN

1.1 Latar Belakang

Arah pergerakan harga saham pada pasar modal merupakan suatu hal yang sulit dipastikan oleh investor. Peristiwa atau informasi tertentu dapat menjadi pemicu penurunan harga saham yang terjadi secara signifikan. Pada awal Januari tahun 2017 harga saham General Electric *collapse* dalam waktu singkat dari sekitar $30,45 hingga menyentuh $6,40 pada akhir Desember 2017 (Maverick, 2021). Peristiwa tersebut disebabkan oleh adanya masalah internal yang menjerat perusahaan seperti buruknya kinerja keuangan, masalah restrukturisasi, serta dugaan manipulasi laporan keuangan. Terhitung hingga bulan Februari 2020 kapitalisasi pasar General Electric lenyap dari semula $262 miliar menjadi $107 miliar (Maverick, 2021). Di Indonesia, PT Tiga Pilar Sejahtera Food Tbk (AISA) mengalami penurunan harga saham akibat polemik konflik yang terjadi di internal perusahaan. Adanya asimetri informasi antara manajemen dengan pemegang saham menjadi salah satu sumber masalah internal dimana informasi dalam laporan keuangan dimanipulasi untuk menguntungkan pihak tertentu. Harga saham perusahaan anjlok mencapai 92,8% dalam kurun waktu setahun pada tahun 2017-2018. Contoh lain, PT Lippo Cikarang Tbk (LPCK) mengalami penurunan hingga mencapai -92,59% terhitung mulai dari awal tahun 2015 hingga akhir Desember 2019 (Fernando, 2021).

Kasus-kasus penurunan harga saham pada pasar modal tersebut tentu menimbulkan kerugian besar yang diderita oleh investor atau pemegang saham perusahaan. Volatilitas harga saham yang terjadi mencerminkan suatu risiko dari aktivitas investasi yang harus ditanggung oleh investor. Risiko dari aktivitas investasi tersebut akan mempengaruhi tingkat pengembalian saham yang mungkin dapat direalisasikan. Kondisi tersebut mengakibatkan adanya potensi kerugian apabila investor keliru ketika menganalisis risiko perusahaan dalam kaitannya pada pengambilan keputusan investasi. Bahasan ini perlu menjadi perhatian untuk dapat dilakukan analisis lebih lanjut.

Menurut teori *capital assets pricing model*, dikenal dua komponen yang membentuk risiko perusahaan yaitu risiko sistematis (*systematic risk*) dan risiko tidak sistematis (*unsystematic risk)* (Rajgopal & Venkatachalam, 2011). Risiko sistematis dikenal juga sebagai risiko eksternal perusahaan karena faktor-faktor yang menyebabkan kenaikan dan penurunan risiko bersumber dari situasi yang terjadi diluar perusahaan, seperti kondisi perekonomian, situasi sosial dan politik, ataupun kebijakan terkait perpajakan. Peristiwa-peristiwa yang berkaitan dengan kondisi tersebut memiliki dampak yang luas tidak hanya kepada satu perusahaan saja. Dalam pasar modal, kondisi tersebut dapat menjadi elemen pergerakan harga saham perusahaan pada seluruh sektor bisnis. Sementara itu, risiko tidak sistematis yang disebut juga sebagai risiko internal adalah risiko perusahaan yang dipengaruhi oleh faktor-faktor unik atau spesifik yang terdapat di dalam suatu perusahaan tertentu. Faktor spesifik ini dapat berupa kebijakan internal manajemen, operasional dan kinerja keuangan yang dihasilkan perusahaan. Selain itu, peristiwa pemogokan kerja maupun masalah pada *research* dan *development* dapat menjadi sumber risiko tidak sistematis (Hotvedt & Tedder, 1978).

Terkait dengan investasi, risiko sistematis merupakan risiko investasi yang tidak dapat dihindari atau tidak dapat didiversifikasi (*nondiversifiable-risk*) oleh investor. Risiko sistematis yang disebut juga sebagai risiko pasar (*market risk*) mencerminkan pergerakan harga saham yang disebabkan oleh perubahan yang terjadi pada pasar modal secara keseluruhan (Hotvedt & Tedder, 1978). Sementara itu, risiko tidak sistematis menggambarkan komponen dari pergerakan nilai investasi yang bergerak secara independen terhadap pergerakan pasar itu sendiri. Kondisi tersebut menunjukkan bahwa risiko tidak sistematis merupakan suatu komponen risiko investasi yang dapat dihindari dengan syarat investor dapat melakukan diversifikasi dengan tepat. Merton (1987) mengindikasikan bahwa apabila investor tidak mampu melakukan diversifikasi portofolio, maka risiko yang harus dipertimbangkan oleh investor adalah risiko total perusahaan. Konsep tersebut menjelaskan motif para investor untuk melakukan *portofolio asset* yaitu untuk menghilangkan *diversifiable-risk*. Dengan demikian, pengujian atas risiko idiosinkratik perlu dilakukan dalam suatu penelitian.

Pada perkembangannya Campbell et al. (2001) mengungkapkan bahwa tingkat volatilitas pengembalian saham terus meningkat. Peningkatan ini lebih banyak berkaitan pada risiko idiosinkratik yang mencerminkan risiko spesifik perusahaan dibandingkan dengan volatilitas market yang mencerminkan risiko pasar. Selain itu, Morck et al. (2000) membuktikan bahwa risiko idiosinkratik dibanding risiko sistematis terus meningkat dari waktu ke waktu. Volatilitas harga saham perusahaan merupakan salah satu pertimbangan utama yang dibutuhkan investor dalam aktivitas investasi karena akan mempengaruhi tingkat pengembalian yang dihasilkan dari aktivitas investasi. Analisis risiko idiosinkratik yang tidak tepat berpotensi menyebabkan kerugian signifikan dalam aktivitas investasi.

Selain itu, terdapat beberapa penelitian sebelumnya yang bertujuan untuk menginvestigasi faktor-faktor yang diharapkan mampu menjelaskan risiko idiosinktratik. Penelitian Bartram et al. (2012), Chang et al. (2015), Firmansyah & Suhanda (2021), Kunto Wijoyo & Firmansyah (2021), Prakosa et al. (2022), Rajgopal & Venkatachalam (2011), dan Zhou et al. (2016) menguji risiko idiosinkratik dengan kualitas laporan keuangan. Penelitian lainnya menguji risiko idiosinkratik dengan kepemilikan institutional (Chichernea et al., 2013; Firmansyah, Sihombing, et al., 2020), kebijakan dividen (Liu et al., 2014; Pinem & Firmansyah, 2022), *price-earnings ratio* (Liu et al., 2014), ukuran perusahaan (Firmansyah, Sihombing, et al., 2020; Liu et al., 2014), *leverage* (Geno et al., 2022; Liu et al., 2014), dan profitabilitas (Firmansyah, Sihombing, et al., 2020; Liu et al., 2014), *product market competition* (Abdoh & Varela, 2017), siklus hidup perusahaan (Hasan & Habib, 2017a), modal sosial (Hasan & Habib, 2017b), aset takberwujud (Li et al., 2020), penghindaran pajak (Febrian & Firmansyah, 2022), lindung nilai (Chng et al., 2017; Kang et al., 2014), strategi inovasi hijau (Lin et al., 2020), pengungkapan lingkungan (Tzouvanas et al., 2020), tanggung jawab sosial (Becchetti et al., 2015; Chen et al., 2018; Hu et al., 2021; Kong et al., 2020; Ozdemir et al., 2020; Wang & Yang, 2023), dan pengungkapan ESG (Gholami et al., 2023).

Penelitian ini bertujuan untuk menguji pengungkapan keberlanjutan dan pelaporan terintegrasi terhadap risiko idiosinkratik. Teori pemangku kepentingan memiliki bidang etika moral yang menyatakan bahwa seluruh pemangku kepentingan memiliki hak untuk diperlakukan secara adil oleh perusahaan (Rokhlinasari, 2015). Manajemen perusahaan dituntut untuk dapat mempertimbangkan seluruh kelompok pemangku kepentingan dalam mengungkapkan suatu informasi di dalam laporan perusahaan tersebut. Pengungkapan tersebut bertujuan untuk membantu manajemen perusahaan dalam meningkatkan penciptaan nilai (Freeman, 2015). Keberlanjutan bertujuan mewujudkan pembangunan ekonomi berkelanjutan guna meningkatkan kualitas kehidupan dan lingkungan yang bermanfaat bagi komunitas setempat dan masyarakat pada umumnya maupun perseroan itu sendiri dalam rangka terjalinnya hubungan perseroan yang serasi, seimbang, dan sesuai dengan lingkungan, nilai, norma, dan budaya masyarakat setempat. Pengungkapan keberlanjutan mengisyaratkan komitmen berkelanjutan perusahaan dalam bertindak etis untuk menjaga hubungan yang adil dengan pemangku kepentingan (Hutabarat & Firmansyah, 2022).

Dalam penelitian sebelumnya, pengujian keberlanjutan lebih banyak diulas dalam konsep tanggung jawab sosial. Pengujian tanggung jawab sosial terhadap risiko idiosinkratik telah dilakukan di level internasional seperti (Chen et al., 2018; Hu et al., 2021; Kong et al., 2020; Ozdemir et al., 2020; Wang & Yang, 2023) yang menemukan bahwa tanggung jawab sosial perusahaan berpengaruh negatif terhadap risiko idiosinkratik. Sejalan dengan temuan tersebut, (Gholami et al., 2023) menemukan bahwa pengungkapan ESG berpengaruh negatif terhadap risiko idiosinkratik. Penelitian lainnya menemukan bahwa pengungkapan lingkungan berpengaruh negatif terhadap risiko idiosinkratik (Tzouvanas et al., 2020). Penelitian internasional lainnya dilakukan oleh (Becchetti et al., 2015) menemukan hasil yang berbeda menemukan bahwa tanggung jawab sosial perusahaan berpengaruh negatif terhadap risiko idiosinkratik. Adanya perbedaan hasil pengujian sebelumnya di level internasional mendorong perlunya pengujian kembali pengaruh keberlanjutan terhadap risiko idiosinkratik dengan menggunakan data negara lainnya seperti di Indonesia mengingat pengujian ini masih jarang ditemukan dengan menggunakan data perusahaan di Indonesia.

Selain itu, penelitian ini juga melakukan perluasan konsep keberlanjutan dengan menguji pelaporan terintegrasi terhadap risiko idiosinkratik yang dalam penelitian sebelumnya masih jarang dilakukan baik dalam konteks internasional maupun Indonesia. Laporan keberlanjutan bertujuan untuk membantu organisasi menetapkan tujuan, mengukur kinerja, dan mengelola perubahan menuju perekonomian global yang berkelanjutan – yang menggabungkan keuntungan jangka panjang dengan tanggung jawab sosial dan kepedulian terhadap lingkungan (Ikatan Akuntan Indonesia, 2021). Sementara itu, pelaporan terintegrasi berfokus pada pelaporan penciptaan nilai entitas dengan menjadikan semua jenis pelaporan terintegrasi. Hubungan antara pelaporan terintegrasi dan laporan keberlanjutan seperti hubungan antara laporan keberlanjutan dan laporan tahunan (Ikatan Akuntan Indonesia, 2021).

Penelitian ini berkontribusi dalam menyediakan literatur terkait dengan risiko idiosinkratik yang dikaitkan dengan informasi non keuangan perusahaan berupa pengungkapan keberlanjutan dan pelaporan terintegrasi dalam konteks riset akuntansi keuangan berbasis pasar modal yang masih jarang dilakukan dalam konteks Indonesia. Penelitian ini juga diharapkan dapat membantu Otoritas Jasa Keuangan terkait dengan dampak positif dari penerapan keberlanjutan dan pelaporan terintegrasi dalam penyusunan kebijakan yang diberlakukan untuk perusahaan *listed* di Bursa Efek Indonesia.

1.2 Telaah Literatur dan Hipotesis

Menurut teori pemangku kepentingan, perusahaan bukanlah entitas yang hanya beroperasi untuk kepentingan pribadi, melainkan juga harus mampu memberikan manfaat kepada seluruh kelompok pemangku kepentingan (Laan, 2009). Pemangku kepentingan perusahaan terdiri dari pemegang saham, kreditor, konsumen, supplier, pemerintah, analis, maupun masyarakat secara umum (Freeman, 2015). Teori pemangku kepentingan menyatakan bahwa tanggung jawab perusahaan tidak terbatas hanya pada kesejahteraan pemilik perusahaan saja. Perusahaan memiliki tanggung jawab sosial dengan mempertimbangkan kepentingan semua pihak yang terdampak oleh tindakan atau kebijakan perusahaan (Pradipta & Supriyadi, 2015).

Komunikasi informasi akan membentuk hubungan yang lebih baik antara perusahaan dengan pemangku kepentingan. Keterbukaan informasi terkait lingkungan dapat memenuhi ekspektasi pemangku kepentingan apabila perusahaan secara transparan melakukan transisi tanggung jawab sosial yang lebih baik (Benlemlih & Bitar, 2018). Situasi tersebut memiliki implikasi penting tidak hanya pada kinerja keuangan perusahaan melainkan juga pada risiko perusahaan (Misani & Pogutz, 2015). Selain itu para investor lebih tertarik kepada perusahaan-perusahaan yang memiliki komitmen untuk mengungkapkan informasi lingkungannya (Lin et al., 2020; Tzouvanas et al., 2020).

Chen et al. (2018), Hu et al. (2021), Kong et al. (2020), Ozdemir et al. (2020), Wang & Yang (2023) menyimpulkan bahwa tanggung jawab sosial perusahaan dapat menurunkan risiko idiosinkratik. Sejalan dengan temuan tersebut, Gholami et al. (2023) menemukan bahwa pengungkapan ESG berpengaruh negatif terhadap risiko idiosinkratik. Penelitian lainnya menemukan bahwa pengungkapan lingkungan berpengaruh negatif terhadap risiko idiosinkratik. Aktivitas tanggung jawab sosial dapat menjadi alat bantu bagi perusahaan dalam memberikan informasi kepada pemangku kepentingan terkait aktivitas-aktivitas yang berkaitan dengan keberlanjutan perusahaan. Para pemangku kepentingan lebih meyakini perusahaan yang telah menerapkan aktivitas keberlanjutannya dianggap telah memenuhi komitmen perusahaan untuk menjalankan bisnis yang lebih beretika. Oleh karena itu, penerapan aktivitas keberlanjutan oleh perusahaan dapat menurunkan kebijakan-kebijakan manajer yang beresiko.

H_1: Pengungkapan keberlanjutan berpengaruh positif terhadap isiko idiosinkratik

Dalam teori pemangku kepentingan, manajemen memiliki kewajiban yang mengikat untuk mengutamakan kebutuhan pemilik atau pemegang saham dan meningkatkan nilai perusahaan untuk mereka (Freeman, 2015). Hubungan perusahaan dengan pemangku kepentingan dapat berbentuk responsibilitas dan akuntabilitas, sehingga perusahaan memiliki akuntabilitas terhadap pemangku kepentingan. Pelaporan terintegrasi adalah laporan yang menyajikan lebih banyak pengungkapan dari laporan keuangan perusahaan. Tujuan utama dari laporan ini adalah untuk menjelaskan kepada investor dan kreditur bagaimana organisasi menciptakan nilai dari waktu ke waktu (IIRC, 2013). Agar pelaporan yang disajikan memenuhi kebutuhan informasi dan ekspektasi pemangku kepentingan, salah satu upaya yang dapat dilakukan adalah dengan pengungkapan informasi lebih banyak mengenai perusahaan seperti pelaporan terintegrasi.

(Martinez, 2016; Wahl et al., 2020) menyatakan pelaporan terintegrasi seharusnya mengurangi asimetri informasi antara orang yang berada di dalam perusahaan dan pihak luar. Shirabe & Nakano (2019) menyimpulkan bahwa pelaporan terintegrasi secara efektif menyebarkan pemikiran terintegrasi yang menekankan penciptaan nilai jangka panjang sehingga perusahaan melaporkan laba secara konservatif dalam hal manajemen laba akrual dan riil. Berdasarkan temuan Yimenu & Surur (2019), manajer dapat secara sukarela mengungkapkan informasi sebagai sarana untuk mengurangi konflik keagenan dengan pemegang saham. Pelaporan terintegrasi menjadi sarana untuk meningkatkan transparansi dan akuntabilitas perusahaan terhadap pemangku kepentingan dengan mengungkapkan informasi berbagai kepentingan pemangku kepentingan dan respon perusahaan. Barth et al. (2017) menyimpulkan bahwa perusahaan yang mengadopsi pelaporan terintegrasi konsisten dengan dua tujuan utama pelaporan terintegrasi, yaitu peningkatan informasi untuk pemegang saham dan kreditur dan pengambilan keputusan internal yang lebih baik. Penerapan prinsip-prinsip dalam pelaporan terintegrasi yang dilakukan oleh perusahaan mendorong perusahaan menjadi lebih transparan. Kondisi ini sesuai dengan keinginan dari pemangku kepentingan di mana pemangku kepentingan mengharapkan informasi tersebut sebagai alat kendali untuk meminimalkan kebijakan manajer yang lebih beresiko dalam aktivitas bisnis perusahaan.

H_2: pelaporan terintegrasi berpengaruh negatif terhadap risiko idiosinkratik

2. METODOLOGI DAN ANALISIS DATA

Penelitian ini menggunakan data perusahaan manufaktur yang terdaftar di Bursa Efek Indonesia. Data laporan keuangan didapatkan dari www.idx.co.id dan situs resmi perusahaan, sedangkan data harga saham diperoleh dari www.finance.yahoo.com. Adapun sampel dalam penelitian ini adalah sebagai berikut:

Tabel 1. Sampel Penelitian

Kriteria		Jumlah
Seluruh perusahaan manufaktur yang tercatat di Bursa Efek Indonesia (BEI) per 31 Juli 2022		195
Dikurangi	Perusahaan yang terdaftar setelah 31 Desember 2014	-59
	Perusahaan dengan data yang tidak lengkap (laporan keuangan, laporan tahunan, & riwayat harga saham) dari tahun 2015–2020	-14
	Perusahaan dengan saham yang tidak aktif setidaknya selama satu tahun penuh	-11
Jumlah perusahaan yang memenuhi syarat		111
Jumlah tahun yang diamati (2016–2020)		5
Total observasi		555

Variabel dependen dalam penelitian ini adalah risiko idiosinkratik. Penelitian ini mengukur variabel risiko idiosinkratik dengan menggunakan *Fama-French* (1993) *3-factor model*. Pada prinsipnya, *Fama-French 3-factor model* adalah pengembangan CAPM dengan memasukkan ukuran perusahaan dan efek momentum jangka pendek ke dalam persamaan model (Firmansyah, Utami, et al., 2020). Regresi dilakukan secara *time-series* pada seluruh perusahaan yang menjadi sampel penelitian. Adapun persamaan *Fama-French 3-factor model* dapat dijabarkan sebagai berikut.

$$R_{it} - R_{Ft} = \beta_0 + \beta_1(R_{Mt} - R_{Ft}) + \beta_2 SMB_t + \beta_3 HML_t + \varepsilon_{it}$$

Dimana R_{it} adalah *excess return* bulanan saham perusahaan I; R_F adalah *risk free rate* bulanan, menggunakan *yield* bulanan pada *10-year goverment bonds* sebagaimana digunakan dalam Firmansyah, Utami, et al. (2020), R_{Mt} adalah *excess return* bulanan pasar (R_M), menggunakan *market return* bulanan ; SMB_t adalah *relative return* bulanan dari *small versus large firm,* dihitung dengan menggunakan data *market capitalization;* HML_t adalah *relative return* bulanan dari *high versus low ratio*, dihitung dengan menggunakan data *book to market value;* ε_t *residual value* bulanan perusahaan i. Berdasarkan data ranking *market capitalization* tahun sebelumnya pada populasi penelitian, dibentuk dua portofolio yang terdiri dari portofolio kelompok Big (B), yaitu 50% saham teratas dan kelompok small (S), yaitu 50% saham terbawah (Liu et al., 2014). Sementara itu, berdasarkan data ranking *market capitalization*, dibentuk juga tiga portofolio berdasarkan data ranking *book to market value* tahun sebelumnya pada populasi penelitian, yang terdiri dari portofolio kelompok high (H), yaitu 30% saham teratas; kelompok low (L), yaitu 30% saham terbawah; dan 40% saham sisanya (Liu et al., 2014).

Setelah dilakukan regresi dengan menggunakan *Fama-French 3-factor model*, nilai risiko idiosinkratik diperoleh melalui *residual value* (ε_{it}) bulanan yang telah diperoleh, kemudian distandar deviasikan dan disetahunkan (dikali √12) (Firmansyah, Utami, et al., 2020). Adapun penjabaran formula risiko idiosinkratik adalah sebagai berikut:

$$\text{IDIORISKFF} = \sqrt{\frac{\sum_{i=1}^{n}[\varepsilon_{it} - (\varepsilon_{it} - \bar{\varepsilon})]^2}{n}} \times \sqrt{12}$$

Untuk membandingkan hasilnya dengan model tersebut, penelitian ini juga menggunakan *market Model* adalah penerapan bentuk *single index model* dengan batasan (asumsi) yang lebih sedikit, yaitu tidak digunakannya asumsi $Cov(e_i,e_j) = 0$, yaitu kesalahan residual masing-masing sekuritas tidak berkovarian satu dengan yang lainnya. Adapun persamaan *market model* adalah sebagai berikut:

$$R_{it} = \beta_0 + \beta_1 R_{Mt} + \varepsilon_t$$

Di mana R_{it} adalah *return* saham bulanan perusahaan i; R_{Mt} adalah tingkat *return* dari *Indonesian Composite Index* bulanan; ε_t adalah *residual value* bulanan perusahaan i. Setelah dilakukan regresi dengan menggunakan *market model*, nilai risiko idiosinkratik diperoleh melalui *residual value* (ε_{it}) bulanan yang telah diperoleh, kemudian distandar deviasikan dan disetahunkan (dikali √12) (Firmansyah, Utami, et al., 2020). Adapun penjabaran rumus risiko idiosinkratik dijabarkan dengan rumus berikut.

$$\text{IDIORISKMM} = \sqrt{\frac{\sum_{i=1}^{n}[\varepsilon_{it}-(\varepsilon_{it}-\bar{\varepsilon})]^2}{n}} \times \sqrt{12}$$

Variabel independen dalam penelitian ini adalah pengungkapan keberlanjutan dan pelaporan terintegrasi. Pengungkapan tanggung jawab sosial adalah penyampaian informasi finansial dan nonfinansial terkait kinerja perusahaan dalam memberikan dampak ekonomi, sosial, dan lingkungan serta memenuhi kebutuhan informasi bagi para pemangku kepentingan demi keberlanjutan perusahaan. Pengungkapan tanggung jawab sosial diukur dengan indeks berdasarkan *Global Reporting Initiatives* (GRI) Standards. Penelitian ini menggunakan laporan tahunan atau laporan keberlanjutan dalam menilai pengungkapan tanggung jawab sosial perusahaan. Indeks GRI terdiri dari 77 *item* pengungkapan dengan tiga kategori yaitu sosial dengan 30 *item* , ekonomi dengan 13 *item*, dan lingkungan dengan 34 *item*. Penilaian setiap *item* pengungkapan dengan memberikan skor menggunakan skala indeks dari 0-4 mengikuti Firmansyah & Estutik (2020) dan Lee (2017).

Tabel 2. Pengungkapan Tanggung Jawab Sosial

Skala	Deskripsi
0	Tidak melakukan pengungkapan
1	Pengungkapan minimum atau disebutkan secara singkat
2	Deskriptif: menyajikan dampak bagi perusahaan atau kebijakan yang jelas
3	Kuantitatif: dampak bagi perusahaan secara jelas didefinisikan dalam istilah moneter atau kuantitas fisik.
4	*Truly extraordinary*

Setelah skor diberikan untuk setiap masing-masing *item* pengungkapan selanjutnya dijumlahkan dan dihitung selanjutnya dengan perhitungan sebagai berikut.

$$\text{SD}_{\text{it}} = \frac{\text{Total skor pengungkapan}}{\text{Jumlah kriteria pengungkapan menurut GRI Standards}}$$

Integrated reporting dalam penelitian ini diukur dengan menggunakan *integrated reporting index* (indeks IR), yaitu indeks berdasarkan indikator pada delapan elemen *integrated reporting* berdasarkan *Integrated Reporting Framework* yang diterbitkan oleh IIRC pada tahun 2013. Indeks ini menilai ada tidaknya penerapan elemen-elemen dari *integrated reporting* di laporan tahunan perusahaan. *Integrated Reporting Framework* adalah dokumen berbasis prinsip dan tidak menetapkan standar untuk *integrated reporting* atau *integrated thinking* (IIRC, 2013). Oleh karena itu, dalam penelitian ini, cara penilaian elemen dalam *integrated reporting index* akan mengikuti *integrated reporting checklist* dari (Herath & Gunarathne, 2016).

$$\text{IR}_{\text{it}} = \frac{\text{Jumlah nilai indikator integrated reporting}}{\text{Jumlah maksimal indikator integrated reporting}}$$

Selanjutnya, hasil penilaian seluruh indikator dijumlahkan dan dibagi dengan jumlah nilai maksimal dari seluruh indikator (nilai maksimal = 76). Perolehan nilai pada tiap indikator dilakukan dengan menggunakan metode analisis isi laporan keuangan dan laporan tahunan perusahaan.

Semakin besar nilai indeks IR, maka semakin baik penerapan elemen-elemen *integrated reporting*. Kelebihan penggunaan *integrated reporting index* sebagai proksi penerapan *integrated reporting* adalah karena IIRC merupakan koalisi global dari regulator, investor, perusahaan, pembuat standar, profesi akuntansi, akademisi dan LSM yang sudah diakui dunia, sehingga *content elements* yang ditentukan dalam *Integrated Reporting Framework* telah melewati kajian yang mendalam.

Variabel kontrol yang digunakan dalam penelitian ini, yaitu *leverage*, profitabilitas dan ukuran perusahaan. *Leverage* adalah penggunaan utang untuk membiayai suatu perusahaan dan sering diukur dengan rasio jumlah utang terhadap ekuitas atau rasio jumlah utang terhadap aset (Godfrey et al., 2010). Perusahaan yang memiliki asimetri informasi yang tinggi cenderung menggunakan pendanaan utang (Yeh et al., 2019). Proksi yang digunakan untuk mengukur *leverage* mengikuti (Firmansyah & Yunidar, 2020)..

$$\text{LEV}=\frac{\text{Total Liabilitas}}{\text{Total Aset}}$$

Ukuran perusahaan adalah metrik untuk menentukan seberapa kaya perusahaan dari nilai ekuitas, penjualan, jumlah karyawan, atau total aset (Ngadiman & Puspitasari, 2017).. Perusahaan yang lebih besar cenderung mengungkapkan informasi lebih banyak daripada perusahaan yang lebih kecil (Barus & Siregar, 2014). Proksi yang digunakan adalah logaritma natural dari total aset mengikuti (Ngadiman & Puspitasari, 2017)yaitu:

$$\text{SIZE} = \ln(\text{total aset})$$

Profitabilitas adalah kemampuan sebuah perusahaan menghasilkan laba relatif dari total penjualan, aset, maupun ekuitas (Brigham & Houston, 2019). Profitabilitas merupakan gambaran seberapa efisien perusahaan menghasilkan keuntungan dari kegiatan operasinya. Proksi yang digunakan adalah *return on assets* (ROA) sebagaimana Martinus et al. (2021).

$$\text{ROA}=\frac{\text{Laba bersih}}{\text{Total aset}}$$

Uji hipotesis dalam penelitian ini menggunakan analisis regresi linier untuk data panel. Adapun model penelitian sebagai berikut:

$$\text{IDIORISK}_{it} = \beta_0 + \beta_1\text{SD}_{it} + \beta_2\text{IR}_{it} + \beta_3\text{SIZE}_{it} + \beta_4\text{LEV}_{it} + \beta_5\text{ROA}_{it} + \varepsilon_{it}$$

3. HASIL PENELITIAN DAN DISKUSI

Statistik deskriptif untuk variabel-variabel yang digunakan dalam penelitian ini adalah sebagai berikut:

Tabel 3. Statistik Deskriptif

Variabel	Mean	Med.	Max.	Min.	Std. Dev.	Obs.
IDIORISKMM	0.4062	0.3060	2.9557	0.0190	0.3585	555
IDIORISKFF	0.3579	0.2705	2.6578	0.0242	0.3059	555
SD	0.4991	0.3896	2.6234	0.0779	0.3849	555
IR	0.5839	0.5658	0.9079	0.3421	0.1143	555
LEV	0.5144	0.4764	5.1677	0.0665	0.4987	555
ROA	0.0449	0.0334	0.7160	-1.050	0.1064	555
SIZE	28.7972	28.5738	33.4945	25.640	1.5849	555

Selanjutnya, berdasarkan uji liniear berganda untuk data panel, model terbaik yang digunakan dalam penelitian ini adalah *Fixed-Effect Model*. Adapun ringkasan hasil uji hipotesis adalah sebagai berikut:

Tabel 4. Ringkasan Hasil Uji Hipotesis

Variable	FF Model				Market Model			
	Coeff.	t-Stat.	Prob.		Coeff.	t-Stat.	Prob.	
C	-1.2257	-1.9092	0.0284	**	-1.6455	-2.2315	0.0131	**
SD	0.0403	1.3671	0.0861	*	0.0632	1.8076	0.0356	**
IR	0.5388	1.9471	0.0261	**	0.3074	1.0735	0.1418	
LEV	0.1151	3.1065	0.0010	***	0.1075	2.3728	0.0090	***
ROA	0.1547	2.1831	0.0148	**	0.1014	1.1788	0.1195	
SIZE	0.0411	1.8047	0.0359	**	0.0618	2.3799	0.0088	***
R^2	0.5672				0.5866			
Adj. R^2	0.4539				0.4783			
F-stat.	5.0039				5.4171			
Prob(F-stat.)	0.0000				0.0000			

Pengaruh pengungkapan keberlanjutan terhadap risiko idiosinkratik

Berdasarkan hasil uji hipotesis menunjukkan bahwa pengungkapan keberlanjutan berpengaruh positif terhadap risiko idiosinkratik. Hasil pengujian ini sejalan dengan Becchetti et al. (2015), namun tidak sejalan dengan Chen et al. (2018), Gholami et al. (2023), Hu et al. (2021), Kong et al. (2020), Ozdemir et al. (2020), Tzouvanas et al. (2020), dan Wang & Yang (2023). Walaupun pengungkapan keberlanjutan bersifat sukarela, namun informasi tersebut bukan dianggap sebagai informasi prioritas yang digunakan oleh investor sebagai salah satu pemangku kepentingan. Secara teori, keberlanjutan merupakan komitmen berkesinambungan dari perusahaan untuk berperilaku etis dan berkontribusi bagi pembangunan ekonomi, kualitas kehidupan karyawan, dan masyarakat guna meningkatkan kualitas kehidupan dan lingkungan yang bermanfaat (Wang & Yang, 2023). Selain itu, keberlanjutan dianggap sebagai cara perusahaan untuk mempertimbangkan faktor lingkungan, sosial dan tata kelola dalam keputusan dan bisnis perusahaan bersamaan dengan mempertahankan hubungan dengan para pemangku kepentingan (Gholami et al., 2023).

Dalam kaitannya dengan teori pemangku kepentingan, aktivitas keberlanjutan merupakan tuntutan dari berbagai pihak pemangku kepentingan yang mengharapkan agar perusahaan dapat berperilaku lebih etis dan memberi kontribusi bagi pembangunan ekonomi dalam rangka meningkatkan kualitas hidup dan lingkungan yang bermanfaat bagi masyarakat luas. Pengungkapan keberlanjutan seharusnya dapat menjadi alat bantu bagi perusahaan dalam memberikan informasi kepada pemangku kepentingan terkait aktivitas-aktivitas ekonomi, lingkungan dan sosial perusahaan. Namun, hasil pengujian dalam penelitian ini tidak mengkonfirmasi konsep tersebut. Penerapan keberlanjutan perusahaan yang semakin tinggi malah dapat meningkatkan risiko bagi perusahaan.

Hasil penelitian pada model utama sejalan dengan uji sensitivitas. Terdapat beberapa kemungkinan yang mengakibatkan kondisi tersebut. Pengungkapan keberlanjutan di Indonesia masih cenderung rendah, sehingga perusahaan masih belum memprioritaskan aktivitas ini menjadi aktivitas yang penting dalam perusahaan. Walapun di Indonesia, pengungkapan keberlanjutan sudah mulai diatur dalam Peraturan Otoritas Jasa Keuangan bagi perusahaan *listed*, namun aktivitas tersebut masih dianggap *voluntary* oleh perusahaan sehingga pengungkapan keberlanjutan diduga merupakan klaim sepihak manajemen. Akibatnya, aktivitas etis perusahaan terkait sosial dan lingkungan yang diungkapkan dalam *corporate social responsibility* menjadi diragukan validitas implementasinya (Firmansyah et al., 2021). Kondisi tersebut menyebabkan investor cenderung kurang mempertimbangkan informasi tambahan berupa pengungkapan secara sukarela atas aktivitas keberlanjutan serta tidak menjadi informasi prioritas yang digunakan oleh investor dalam menilai risiko idiosinkratik. Tingkat pengungkapan keberlanjutan tidak menjadi pertimbangan investor. Oleh karena itu, pengungkapan keberlanjutan bukan merupakan informasi prioritas yang digunakan oleh investor dalam menilai risiko internal perusahaan.

Pengaruh pelaporan terintegrasi terhadap risiko idiosinkratik

Berdasarkan hasil pengujian hipotesis, bahwa pelaporan terintegrasi berpengaruh positif terhadap risiko idiosinkratik. Pelaporan terintegrasi merupakan bentuk laporan perusahaan yang menekankan peningkatan nilai organisasi dari waktu ke waktu melalui alokasi modal yang efisien dan efektif sehingga tercapai stabilitas dan keberlanjutan keuangan (IIRC, 2013). Secara konsep, pelaporan terintegrasi menguntungkan bagi seluruh kepentingan yang tertarik bagaimana perusahaan meningkatkan nilainya. Di Indonesia, penerapan pelaporan terintegrasi didorong oleh IAI dan *National Center for Sustainability Reporting* (Adhariani & Villiers, 2018). Walaupun tidak diwajibkan oleh OJK, elemen pelaporan terintegrasi telah diterapkan pada beberapa perusahaan melalui Peraturan Otoritas Jasa Keuangan Nomor 29/POJK.04/2016 tentang Laporan Tahunan Emiten atau Perusahaan Publik sebagai bagian dari laporan tahunan perusahaan atau dalam kata lain masih bersifat *voluntary*.

Sejalan dengan pelaporan terintegrasi, teori pemangku kepentingan menyatakan bahwa manajer mengelola dan membentuk hubungan dengan pemangku kepentingan untuk menciptakan nilai bagi mereka dan membantu bisnis bertahan dan berkembang(Freeman, 1984). Hubungan perusahaan dengan pemangku kepenting berbentuk responsibilitas dan akuntabilitas menurunkan informasi asimetri antara manajer dengan pemegang saham sebagai salah satu pemangku kepentingan. Informasi asimetri seharusnya dapat diturunkan karena manajer perusahaan akan berusaha memenuhi tuntutan pemangku kepentingan melalui pelaporan terintegrasi, sehingga pelaporan terintegrasi seharusnya dapat menurunkan risiko idiosinkratik.

Belum adanya standar yang mengatur secara spesifik pengungkapan pelaporan terintegrasi di Indonesia dan tidak adanya sanksi dari pemerintah ketika perusahaan tidak mengungkapkan pelaporan terintegrasi juga menjadi alasan perusahaan masih enggan menerapkan pelaporan terintegrasi. Selain itu, perusahaan mungkin masih bereksperimen dalam penerapan pelaporan terintegrasi dengan memanfaatkan sifat fleksibel pelaporan terintegrasi yang *voluntary*, bukan *mandatory* (Stubbs & Higgins, 2018). Berbeda dengan Australia yang merupakan negara maju, untuk meningkatkan penerapan pelaporan terintegrasi, sifat *voluntary* dianggap tidak cocok untuk diterapkan di Indonesia (Adhariani & Villiers, 2018). Penerapan yang *voluntary* juga menunjukkan bahwa kekuatan pasar yaitu kesediaan para perusahaan untuk menyusun dan kegunaan bagi pengguna laporan dibutuhkan untuk mendorong penerapan pelaporan terintegrasi agar menjadi norma pelaporan.

Penyusun menganggap laporan terintegrasi bukan merupakan kewajiban yang harus dilakukan oleh perusahaan, sehingga dalam penyusunan tersebut diduga masih belum mengikuti standar pelaporan terintegrasi. Selain itu, apabila laporan disusun dengan standar pelaporan terintegrasipun, penyajian yang dilakukan oleh perusahaan merupakan klaim sepihak karena sampai dengan saat ini juga masih belum terdapat adanya lembaga resmi yang menilai kualitas dari laporan terintegrasi. Selanjutnya, temuan dalam penelitian ini diduga bahwa investor sebagai salah satu pemangku kepentingan menganggap bahwa informasi yang disajikan dalam pelaporan terintegrasi dianggap kurang penting dalam menilai kondisi perusahaan. Investor masih menganggap informasi-informasi keuangan yang lebih penting dalam menilai kondisi fundamental perusahaan dalam pengambilan keputusan investasinya.

4. SIMPULAN DAN SARAN

Penelitian ini menyimpulkan bahwa pengungkapan keberlanjutan dan pelaporan terintegrasi berpengaruh positif terhadap risiko idiosinkratik. Pengungkapan keberlanjutan dan pelaporan terintegrasi dianggap sebagai klaim sepihak oleh investor karena sampai dengan saat ini belum terdapat lembaga yang memvalidasi atas pengungkapan item-item informasi keberlanjutan dan pelaporan terintegrasi. Selain itu, walaupun sudah diatur oleh otoritas pengawas pasar modal di Indonesia, namun pengaturannya masih cukup sederhana dan masih belum terdapat adanya sanksi dalam pengaturan tersebut. Oleh karena itu, penerapan keberlanjutan dan pelaporan terintergasi bukan menjadi fokus bagi investor dalam mengambil keputusan untuk menginvestasikan dananya.

Penelitian ini mempunyai keterbatasan dalam penggunaan kriteria tertentu sehingga menyebabkan sampel yang digunakan semakin sedikit sehingga hasil analisis penelitian menjadi kurang komprehensif. Selain itu, terdapat adanya subyektifitas dalam menilai pengungkapan keberlanjutan dan pengungkapan laporan terintergrasi karena dilakukan secara manual. Penelitian selanjutnya dapat menggunakan data perusahaan non keuangan dengan periode yang lebih panjang dan menggunakan skor ESG yang digunakan oleh lembaga pemeringkat untuk mendapatkan hasil yang lebih valid dan lebih komprehensif. Selanjutnya, penelitian ini menyarankan agar otoritas pengawas pasar modal di Indonesia perlu mengatur atas penerapan keberlanjutan ataupun aktivitas-aktivitas terkait dengan pelaporan terintegrasi yang dilakukan oleh perusahaan listed. Selain itu, otoritas pengawas pasar modal perlu meningkatkan monitoring atas aktivitas-aktivitas tersebut, sehingga dalam penyajiannya pun dapat lebih bermanfaat untuk investor dalam menilai kondisi perusahaan yang lebih komprehensif.

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INTERNAL CONTROL IN THE PUBLIC SECTOR IN INDONESIA: A CASE STUDY OF STATE TAX RECEIVABLES MANAGEMENT

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Abstract— This research focuses on the Internal Control System (SPI) in managing tax collection at the Directorate General of Taxes (DGT). This study is concerned with the effectiveness of internal control in the public sector, especially on the revenue administration of the central government, which is also stated in the Audit Agency (BPK) report. Internal control is vital to maintain the reliability of financial information in an organization. The method used is qualitative, using The DGT as a case study. The novelty of this research lies in its focus on the tax receivable from both internal and the auditor's points of view. Interviews were conducted with the DGT, the Financial Audit Agency (BPK), and the Inspectorate General (Inspektorat Jenderal/Itjen). Data comes from the Central Government Financial Statements (Laporan Keuangan Pemerintah Pusat/LKPP) and Audit Reports (Laporan Hasil Pemeriksaan/LHP). The results of this study show that the SPI in managing tax collection is good, but there is still room for improvement. It is expected that some recommendations for improving the SPI, such as improving the issuance of letters for the implementation of tax receivables to be entirely through the system, limiting the materiality of collecting tax receivables, maximizing tax collections, especially those that will expire, adding an early warning system to detect overdue collections, faster solving suspend data, and data integration, especially with the tax court for appeal decisions and commercial courts for registration of tax receivables to curators.

Keywords: Audit Report; Central Government Financial Report (LKPP); Internal Control System; Tax Receivables.

1. INTRODUCTION

1.1 Background

Tax is a mandatory contribution to the state that is coercive but does not provide direct rewards to taxpayers. According to local laws and regulations, taxes can be levied by the Central Government, including Import Duties and Excise, and taxes levied by Local Governments. This tax revenue takes up the most significant portion, 77,19% of the realization of state revenues and grants in the FY 2022 State Budget (APBN) (Kementerian Keuangan, 2023).

Table 1. State Revenue from Taxes Year 2018-2022

	2018	2019	2020	2021	2022
Tax Revenue	1,518.79	1,546.14	1,285.13	1,547.84	2,034.55
State Revenue	1,943.67	1,960.63	1,647.78	2,011.34	2,635.84
Percentage	78.14%	78.86%	77.99%	76.96%	77.19%

Source: Audit Report 2018-2022

Tax receivables arise from tax payables that are not paid at maturity. The tax debt can come from tax research, audit, or investigation with a legal product in the form of a Tax Bill (STP) and a tax assessment letter in the form of an Underpaid Tax Assessment Letter (SKPKB), and an Additional Underpaid Tax Assessment Letter (SKPKBT). In legal products, it can be in the form of tax principal, sanctions, in the form of interest, fines, increases, and tax collection costs. The tax receivable should be continued with payment by the taxpayer. However, there are times when these receivables are not paid either because they do not agree with the results set or because they file legal remedies. Still, some do not want to pay for various reasons unrelated to legal remedies, resulting in tax receivables that must be collected.

Although tax receivables are not a component of the State Budget, tax receivables are one of the essential items of government assets in the balance sheet, which, on the date of the Financial Statements, if there is a government right to collect, must be recorded as an addition to government assets in the form of receivables. Receivables represent the potential for state revenue receipts. In addition to the potential as tax revenue, tax receivables are also audit findings that the Audit Agency always disputes. The development of tax receivables is increasing every year. Errors in recording tax receivables will affect the share of assets in the central government's balance sheet.

The definition of assets stated on the Statement of Government Accounting Standards (PSAP) 01 concerning the Presentation of Financial Statements. Assets, which can be measured in monetary units and include non-financial resources required for the provision of community services, are economic resources that the government controls and owns because of past events and from which future economic and social benefits are expected to be obtained, both by the government and society. For historical and cultural reasons, power is preserved.

From the beginning, the development of tax receivables was highlighted by the House of Representatives (Bagian Analisa Pendapatan Negara dan Belanja Negara Dewan Perwakilan Rakyat, 2013; Dewan Perwakilan Rakyat, 2022). The House of Representatives sees that efforts to manage tax receivables have not been maximized, as shown by three aspects: technical accounting records, write-offs, and collection of tax receivables. The increase in the amount of tax receivable still cannot be offset by disbursement activities. Therefore, carrying out tax collection actions with coercive legal force is necessary.

BPK sees weaknesses in the internal control system in managing tax receivables in DGT, which are recurring yearly. This problem certainly has an impact on the completeness and accuracy of the presentation of the value of tax receivables because STP and SKP are source documents used by DGT as the basis for recording and collecting tax receivables (Badan Pemeriksa Keuangan (BPK), 2021, 2022, 2023).

The public, including tax observers and practitioners, also revealed weaknesses in managing tax receivables, as conveyed by the Executive Director of the Center for Indonesia Taxation Analysis (CITA), Justin Prastowo (Ananti, 2018). Some weaknesses in the billing process can be seen from the regulatory aspect; for example, some are not clear and firm, confusing the field, expiring, and removing sanctions.

Previous research has further highlighted the presentation of tax receivables (Pratiwi, 2021), Tax Receivables Information (Djunur, 2020), and most from the micro side, which usually focuses on managing tax receivables in the collection section of the Tax Service Office. Several studies examined the effectiveness of tax receivables collection in the collection section, especially at the Tax Service Office (KPP) (Febriana & Riharjo, 2017; Kurniawati, 2016; Tanuwijaya & Budiono, 2014). There is also an emphasis on the implementation of tax receivables carried out by the state tax bailiff (JSPN) in the collection section. In addition, there is also research on tax receivables seen from the procedures for writing off tax receivables in several KPPs (Fasekordya, 2018; Nurul Sa'adah, 2019; Tamba, 2017).

Another thing that was also examined was how internal control in the audit, assessment, and collection section disbursing tax receivable arrears. The research results generally mentioned several weaknesses in the Internal Control System (Aprilianthi, 2014; Laksana et al., 2019; Muhamad & Wahyuni, 2017; Sormin, 2010). Research by Suhendro supports internal control systems on the performance of higher education (Aprilia et al., 2022). Internal control systems support the effectiveness of the DGT system. On the other hand, the perception of tax system effectiveness does not affect willingness to pay taxes (Tajuddin & Eforis, 2023).

The research gap in this study compared to previous studies is that this study covers DGT agencies, using the latest provisions, namely the Law on Harmonization of Tax Regulations (UU HPP), the data processed is more comprehensive, and involves resource persons involved in the DGT internal control system in managing tax receivables and from the side of external auditors (BPK) and internal auditors (ITJEN). Several KPP samples will be selected based on the most significant tax receivables data included in the BPK's findings to explore its internal control weaknesses further. In addition, this study also analyzes the policies that will be carried out by DGT related to tax receivables, namely the establishment of a Taxpayer Account (TPA) Revenue Accounting System (RAS) Module.

This research takes the theme related to tax receivables because tax receivables are significant potential state revenues in the form of assets, which means financial resources that the government owns and controls as a result of previous occurrences and from which both the government and society anticipate future economic and social benefits, which if not appropriately managed then the potential does not generate state revenue. Especially with the findings of the BPK audit of LKPP in 2022, tax receivables rank highest in the findings related to the Internal Control System and Compliance with Laws and Regulations (Badan Pemeriksa Keuangan (BPK), 2023).

Therefore, this study focuses on the Internal Control System carried out by DGT, especially related to handling tax receivables. The results of this study are expected to identify things in the DGT Internal Control System that are of concern and are expected to provide input and scientific study materials to improve the SPI.

1.2 Problem Statement

Based on the background of research, the following problems can be formulated:

1. How is the Internal Control System carried out by the Directorate General of Taxes, especially in handling tax receivables?
2. What elements can be identified as weaknesses in SPI in managing tax receivables?
3. What can be recommended to improve SPI, especially in following up on recommendations by the Audit Board (BPK)?

1.3 Literature Review and Hypothesis

1.3.1 Internal Control According to COSO and the Government's Internal Control System (SPIP)

Literature studies show that many studies related to applying the COSO framework in internal control in finance, for example, are associated with the level of effectiveness of the COSO framework. Internal control is part of each system used as operational procedures and guidelines for specific companies or organizations. The COSO framework is designed to assist companies in establishing and improving internal control systems. Internal control is considered essential to the organization's operations. It determines the quality of financial statements in the form of "reasonable assurance" that the amounts presented in the financial statements are correct and establishes a reliable basis for making informed decisions. Companies use the Internal Control System to direct operations and prevent system abuse. Many authors' definitions of internal controls are generally sourced from the definition made by COSO (The Committee of Sponsoring Organizations of Treadway Commission) (COSO, 2013). COSO defines internal control as follows: "Internal control is a process, effected by an entity's board of directors, management, and other personnel, designed to provide reasonable assurance regarding the achievement of objectives relating to operations, reporting, and compliance."

Internal control is a process, according to the COSO, since it permeates organizational operations and is a crucial component of fundamental management tasks. Only moderate confidence, not total desire, may be provided by internal control. Internal control demonstrates that, despite its best efforts to be both adequately conceived and structured, internal control can only offer a sufficient level of confidence. It cannot, however, be entirely successful in accomplishing its goals. The success of the perfect internal control, no matter how well it is planned, is inextricably linked to some limitations and is dependent more on competition and restrictions than on how it is implemented.

There are 17 components to the internal control principles as presented in COSO's 2013 Framework:

Table 2. Components and Principles of COSO 2013 Framework

Components	Description of the components	Principles
Control Environment	The institution's guiding principles and vision are embodied in the control environment, or the management's governance culture affects how well the other internal control mechanisms work. It refers to a collection of guidelines, procedures, and frameworks that the company uses to carry out internal control. It encompasses the institution's moral principles and integrity as well as the norms that allow the board of directors to fulfill its duties in defining roles and responsibilities and supervising organizational structure and governance.	1. The organization demonstrates a commitment to integrity and ethical values. 2. The BOD demonstrates independence from management. 3. The BOD establishes structures, reporting lines, and appropriate responsibilities in the pursuit of objectives. 4. Commitment to attract, develop, and retain competent individuals. 5. Holding individuals accountable for their internal control responsibility.
Risk Management	An event may occur and adversely affect the achievement of [an organization's] objectives. It indicates that each organization may face a variety of risks, external and internal. According to the COSO concept, the assessment of risks is a continuous dynamic process for identifying and	6. Specifying objectives with sufficient clarity to identify and assess risks. 7. Identifying and analyzing risks across the entity to determine how they should be managed. 8. Considering the potential for fraud as a possible risk.

Components	Description of the components	Principles
	assessing the risks that threaten the achievement of the institution's goals.	9. Identifying, evaluating, and analyzing changes that could significantly impact the system of internal controls.
Control Activities	Control activities are procedures established through policies and arrangements that help ensure the implementation of management directives to mitigate risks related to achieving the entity's goals.	10. Selection and development of control activities to mitigate risks. 11. Selection and development of technology-dependent general control activities. 12. Deployment of policies that define what is expected and procedures that implement them.
Information and Communication	It describes the ongoing, iterative process of supplying, exchanging, and acquiring the required data. Information is distributed to various divisions within the organization through communication.	13. Obtaining and using relevant and credible information. 14. Internal communication by disseminating information internally. 15. External communication on matters affecting the conduct of internal control.
Monitoring Activities	To verify that every one of the five internal control components is present and functioning properly, monitoring activities are conducted using either a continuous assessment process, a discontinuous evaluation process, or a mix of both.	16. Conducting continuous or separate evaluations 17. Evaluating and communicating deficiencies of internal control.

Source: Bouheraoua & Djafri (2022); COSO, (2013)

Internal control is effective if it meets the five applicable components and functions and is operationally applied in an integrated manner. In addition, organizational leaders can ensure adequate implementation of internal control. Reference points for evaluating the efficacy of internal control include the laws, rules, regulations, and standards that the organization must abide by; the type of business the organization conducts and the markets it serves; the extent and character of the management operating model; the skill of the employees in charge of internal control; the use and reliance on technology; and the management's reaction to the risks identified. (COSO, 2013; McNally, 2013).

The definition of an Internal Control System is stated in Government Regulation (PP) Number 60 of 2008 concerning the Government Internal Control System (SPIP). The purpose of the Internal Control System is to ensure that leaders and staff members maintain a high level of confidence in the attainment of organizational objectives through efficient and productive work, accurate financial reporting, safeguarding state assets, and adherence to legal and regulatory requirements. Following PP Number 60 of 2008, SPIP consists of five elements:

1. Control environment: Government Agencies' conditions that affect internal control's effectiveness. All employees' overall commitment, ethics, values, behaviors, and actions.
2. Risk assessment: assessment activities on possible events that threaten the achievement of the goals and objectives of Government Agencies
3. Control activities: actions necessary to address risks and establish and implement policies and procedures to effectively implement risk mitigation measures.
4. Information and communication. When it comes to performing the tasks and operations of government agencies, information is defined as data that has been processed and is suitable for use in decision-making. Delivering information or messages through certain symbols, either directly or indirectly, to elicit feedback is called communication.

5. Internal control monitoring: the procedure for evaluating the effectiveness of the Internal Control System and procedures that guarantee the timely follow-up on audit findings and other assessments.

To achieve efficacy and efficiency in accomplishing the goals of state governance, financial reporting dependability, asset security for the state, and legal and regulatory compliance, SPIP seeks to offer sufficient confidence. As a follow-up to PP 60 of 2008, the Ministry of Finance has issued Decree of the Minister of Finance (PMK) Number 130/KMK.09/2011 concerning the Internal Supervision Policy of the Ministry of Finance and PMK Number 152/KMK.09/2011 concerning Improvement of the Implementation of Internal Control within the Ministry of Finance.

The Directorate General of Taxes has issued a Decision of DGT (KEP) No. 238/PJ/2012 concerning the Implementation of Internal Control within the DGT as a follow-up to PMK No. 152/KMK.09/2011 concerning Increasing the Implementation of Internal Control within the Ministry of Finance. The implementation of internal control within the Directorate General of Taxes includes:

a. Internal control is carried out by the task owner in the form of inherent supervision by the direct supervisor of the task executor.
b. Internal control monitoring is conducted by the Internal Control Monitoring Implementation Unit (UP3I).

UP3I is an employee who meets specific requirements for internal control monitoring in the work unit concerned. Specific requirements are:

a. the lowest education is Diploma III;
b. the lowest rank is Regulator (Group II/c);
c. physically and spiritually healthy;
d. have high integrity;
e. have sufficient technical competence;
f. have the ability to interact and communicate well, orally and in writing, and
g. It is not currently undergoing disciplinary punishment or is not in the process of being investigated for disciplinary violations and has never undergone severe disciplinary punishment based on Government Regulation Number 53 of 2010 and other applicable regulations.

Especially for tax receivables, Circular Letter (SE) No. 03/PJ/2017 concerning the Internal Control System (SPI) on the Administration of Tax Receivables and SE-38/PJ/2017 concerning the Internal Control System for the Administration of Tax Receivables has been issued. The scope of this unique SPI related to tax receivables includes the following:

A. Control procedure for the formation of tax receivable balances.
B. Control Procedure for Determining Tax Receivables:
C. Tax Receivables Adjustment Control Procedure:
D. procedure for controlling the repayment of tax receivables.
E. Monitoring and Evaluation of Internal Control System on Tax Receivables Administration.

This activity ensures that the internal control system of tax receivables administration has run as expected and that the necessary improvements have been implemented.

1.3.2 Internal Control of the Public Sector

The public sector needs to ensure integrity, transparency, and accountability. Internal control ensures that operations in the public sector are conducted efficiently, effectively, and by government authorities' laws and policy objectives. Internal control also aims to prevent abuse, corruption, and violations in government (OECD, 2011). Goodwin compares internal control between the public and private sectors. Apart from the difference in the intended party from financial reporting and costs, differences can also be seen in the level of interaction and internal control activities (Goodwin, 2004).

The results showed significant developments in audit institutions and internal control activities since 1980. Each country is different in organizing its institutions, the products or services produced, and their influence on society. However, there are specific matters related to the internal control function for the eradication of corruption that is still low (Johnsen, 2019).

For budget-based government institutions, efficiency efforts are one of the easiest ways to achieve a broader scope of activities. Improving efficiency will be easier than submitting additional budgets that the House of Representatives must approve. If government management in the past focused only on securing resources, now it is on the more efficient and effective use of resources. For the management of resources to be carried out more efficiently and effectively, management decisions must be based on organized and controlled trust principles (Kuntadi et al., 2022).

The Organisation for Economic Co-operation and Development (OECD) has published a report on public sector control in a seminar themed "Control and Internal Audit: Ensuring Public Sector Integrity and Accountability," providing a framework to improve integrity and prevent corruption in the public sector in the form of an Integrity Framework that focuses on:

"*Understanding the implementation of instruments, processes, and structures to support; i) the delivery of quality services in an efficient manner, following planned outcomes; ii) safeguard public resources against misconduct and (active and passive) waste; iii) maintain, and disclose through timely reporting, reliable financial, and management information; and iv) comply with applicable legislation and standards of conduct*." (OECD, 2011)

The COSO framework can be used in testing public sector internal control systems. Research conducted by (Yao et al., 2017) on four departments in Ghana using six elements of the COSO conceptual framework with a sample of 100 respondents. This study wanted to see the effectiveness of management in the public financial sector. Other studies have adopted the COSO methodology for Sharia-based internal audits at Islamic financial institutions (IFIs). COSO is also used to assess internal control implementation in all Kosovo budget units (Bouheraoua & Djafri, 2022). The results show that the Public Internal Financial Control (PIFC) strategy has positively affected public sector reform in Kosovo, with some improvement notes (Ujkani & Vokshi, 2019).

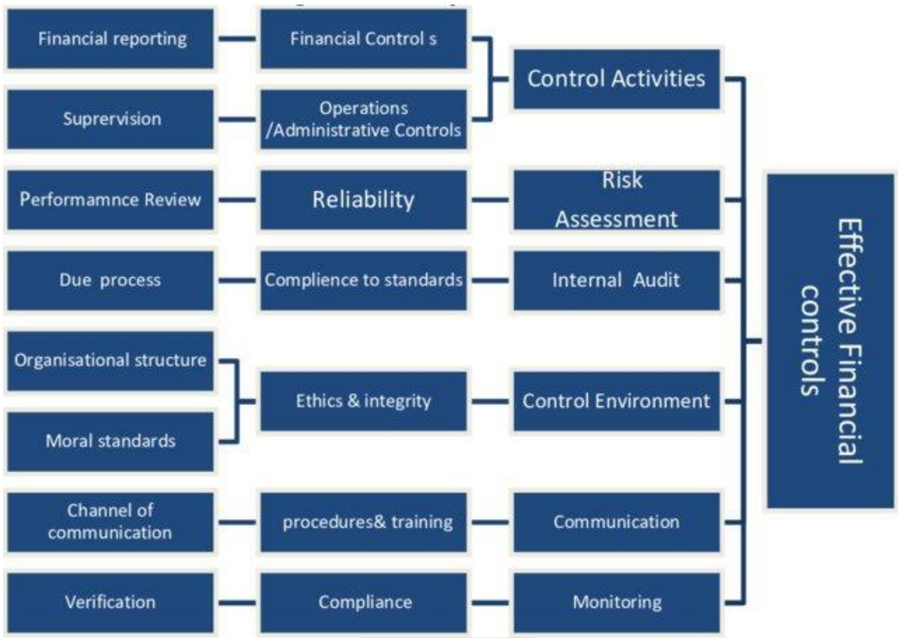

Figure 1. Effective Financial Controls
Source: Hendikawati dan Hidayati (2019)

1.3.3 Administration of Tax Receivables

Referring to regulation No. 20/PJ/2020 concerning tax receivables accounting guidelines, tax receivables are receivables arising from accrued taxes, including administrative sanctions in the form of interest, penalties, or increases listed in tax assessment letters or similar letters based on the provisions of laws and regulations in the field of taxation that have not been paid until the end of the Financial Statement period. Tax receivables arise because there is still a state collection suitable for tax arrears that the taxpayer has not paid. These tax receivables must be accounted for by DGT so that they can be presented in the Financial Statements reliably and on time. DGT officially conducts research, examination, or investigation in the field of taxation that can produce legal products owed tax that have binding legal force (inkracht) and must be paid by taxpayers by the provisions of tax laws and regulations.

Administration of tax receivables according to SE-38/PJ/2017 concerning Internal Control System Administration of Tax Receivables is an activity to manage all tax assessments and tax bills issued until payment/repayment, including legal remedies to generate delinquent balances that will be used for further processing.

According to SAP Conceptual Framework Paragraphs 90 and 91, When the government receives prospective future financial rewards and an expense that can be accurately calculated, it is said to have an asset. Assets in the form of receivables or prepaid expenses are recognized concurrently with the accrual basis of accounting when the right of claim for cash inflows or other economic benefits from another entity has been or continues to be fulfilled and the value of such claims can be measured or estimated. Thus, tax receipts are recognized when state claim rights have arisen. This activity aligns with the formal theory in recognition of Tax Debt, namely, tax debt arises due to tax laws when tax officials issue tax assessment letters. So, as long as there is no tax assessment letter, there is no tax debt, even though subjective conditions and objective conditions and time have been met.

Tax receivables are presented on the balance sheet of LKPP in the group of current assets, provided that tax receivables are presented at the unpaid value of the value stated in the documents on which tax receivables are recognized. According to the concept in the Statement of Government Accounting Standards (PSAP) 01 concerning the Presentation of Financial Statements, A balance sheet is a financial asset that the government owns and controls as a result of past transactions and from which it anticipates future economic and social gains for society as a whole. It is quantifiable in monetary units. The units comprise historical and culturally significant resources as well as non-financial resources required for community service delivery. Tax receivables are recorded at par value on a recognition basis, then followed up by preparing Financial Statements and making explanations on Tax Receivables accounts in the Notes to Financial Statements (CALK) and reported to higher accounting entities.

To present the value of Tax Receivables on the balance sheet that reflects net realizable value, a classification of the quality of tax receivables on tax receivables based on the provisions of laws and regulations in the field of taxation and does not meet the criteria for asset recognition, tax receivables should be written off. This activity has been regulated by the Minister of Finance Regulation No. 43/PMK.03/2018 concerning the Accounting Policy for Bookkeeping of Tax Receivables that has expired and regulation No. 01/PJ/2020 concerning Quality Classification of

The tax receivables are followed up with a collection process starting from the collection basis consisting of STP, SKPKB, SKPKBT, Rectification Decree, Mutual Consent Decree, Objection Decree, Appeal Decision, and Review Decision, which causes the amount of tax accrued to increase. Tax claims if there is a request for tax collection assistance from a partner country or partner jurisdiction and taxes that should not be returned as stipulated in Government Regulation 50 of 2022 concerning Procedures for Implementing Tax Rights and Fulfilling Obligations. Here is the tax billing flow:

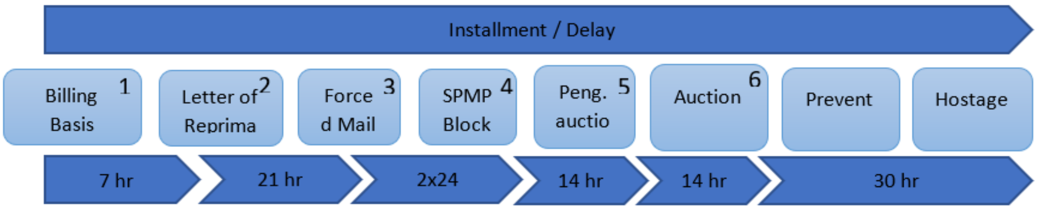

Figure 2. Tax Collection Flow
Source: Processed by the author

To follow up on BPK's recommendations and realize uniform accounting treatment of tax receivable accounts in the Central Government Financial Statements (LKPP), DGT has developed an application Tax Payer Account (TPA) Revenue Accounting System (RAS) Module nationally starting July 1, 2020. In the Framework of Recording Tax Transactions, the person in charge of the application is the DGT (Direktur Jenderal Pajak, 2022). The provisions of PER No. 20/PJ/2020 are intended to apply accrual-based accounting treatment by the mandate of Government Regulation No. 71/2010 concerning Government Accounting Standards (SAP), which includes recognition, measurement, recording, presentation, and disclosure of tax receivables in financial statements. The use of this landfill is based on the advice made by, which evaluates the problem of tax receivables administration at the DGT using BPK LHP data on LKPP from 2013 to 2019 based on the provisions of PER No. 08 / PJ / 2009 (Pratiwi, 2021; Pratiwi & Martani, 2021).

2. RESEARCH METHOD AND DATA ANALYSIS

2.1 General Description of Research Objects

The object studied in this study is the Directorate General of Taxes (DGT), a government body under the Ministry of Finance of Indonesia. Respondents in this study are employees of

DGT, Jakarta Special Regional Tax Office, Large Taxpayer Tax Office One, and Pondok Aren Tax Office. The study period is 2023.

2.2 Research Method

This research adopts qualitative methods, using inductive methods and content analysis to build comprehensive knowledge that will help explore the COSO methodological framework and the extent to which DGT can adopt it (Creswell & Creswell, 2017). This research uses qualitative methods with a case study approach. Three qualitative research techniques were used: theme analysis (method 1), interactive qualitative analysis (method 2), and written questions in the form of semi-structured interviews (method 3) to gather information for research questions (Du Preez, 2018; Rahardjo, 2010). In this study, the subject is the Directorate General of Taxes (DGT), and the object is the internal control system in the administration of tax receivables.

The data sources used are secondary data and primary data. Primary data results from interviews and forums from parties related to tax receivables management. Selection of respondents using Purposing Sampling: It only uses parties directly related to the problems analyzed in this research. Triangulation, DGT, BPK, and ITJEN do data sourcing. Triangulation is used to check the veracity of data or information obtained by researchers from different points of view in a way that reduces the amount of data or information that can occur during data collection and analysis as much as possible (Rahardjo, 2010). The secondary data used are the LKPP and the report on the Examination Results of the Internal Control System of the Central Government Financial Statements for 2018-2022 by BPK. The method used by the author in conducting this study is a semi-structured interview and literature study.

3. RESULTS AND DISCUSSION

In the official assessment system, the tax to be paid by the taxpayer is determined by the DGT. Determination of when tax receivables occur, recorded and assessed based on the applicable tax collection system and the accounting basis of asset recognition regulated in SAP. Until 2019, the presentation of Tax Receivables is sourced from the database of Tax Receivables Development Report (LP3), details of the initial balance and mutation added less, working paper (KK) Allowance for Tax Receivables, legal remedy register from the Information Systems Directorate General of Taxation (SIDJP), and legal remedy register from the Directorate of Objections and Appeals. LP3 administers the details of tax receivable balances and mutations, including initial balances, mutations of receivables adders and deductions, and final balances of tax receivables. As of July 1, 2020, based on SE-38/PJ/2020 concerning the Implementation of the RAS Module TPA Application, the tax receivable balance presented in the financial statements is generated from the RAS Module TPA Tax Receivables Report.

To evaluate the effectiveness of internal control of tax receivables management, researchers use the COSO Internal Control-Integrated Framework: Guidance on Monitoring Internal Control Systems (COSO, 2009), using adjustments to the COSO Framework 2013 which is 17 components in the Principles of Internal Control (COSO, 2013). as well as adopting the research of Udeh, Bouherau, and McNally (Bouheraoua & Djafri, 2022; McNally, 2013; Udeh, 2020).

3.1 Control Environment

The institution's guiding principles and culture of management governance, known as the control environment, influence how well other internal control elements work. It displays the collection of guidelines, procedures, and frameworks that a company uses to put internal control in place. It includes the institution's moral principles and integrity as well as the norms that allow the board of directors to fulfill its duties in defining roles and responsibilities, monitoring organizational structures, and supervising governance. The following are elements of the control environment: exhibiting a dedication to moral principles and integrity; performing supervisory duties; creating authority, structure, and accountability; exhibiting a dedication to competence; and maintaining accountability.

The central and local governments have (and are obligated) to implement the internal control system regulated in Government Regulation No. 60 of 2008 concerning the Government Internal Control System (SPIP). The objectives of this control are to secure state assets, ensure reliable financial reporting, manage state finances effectively and efficiently, and comply with legal requirements (accountable). SPIP elements are the same as the COSO Framework: the control environment, risk assessment, control activities, information and communication, and internal control monitoring. Meanwhile, at the Ministry of Finance level, it has been regulated in the Decree of the Minister of Finance Number 152/KMK.09/2011 concerning Increasing the Implementation of Internal Control within the Ministry of Finance. At the level of echelon one unit, DGT has also implemented internal control, regulated in KEP-238/PJ/2012, concerning the Application of Internal Control within the Directorate General of Taxes.

DGT has adopted the Internal Control System (SPI) provisions on Tax Receivables Administration with SE-03/PJ/2017 issuance in managing tax receivables. The regulation stipulates procedures for controlling the formation of tax receivable balances, controlling procedures for determining tax receivables, controlling procedures for adjusting tax receivables, controlling repayment of tax receivables, and monitoring and evaluating the internal control system for tax receivables administration. The provision stipulates the responsibility of monitoring and evaluating SPI, namely the Directorate of Internal Compliance and Transformation of Apparatus Resources (KITSDA). Based on SPI monitoring and evaluation, the KPP Internal Compliance Unit, DGT Regional Office, and KITSDA Directorate provide adequate assurance regarding the compliance of tax receivables administration procedures. The Internal Compliance Unit makes monitoring and evaluation reports on SPI on Tax Receivables Administration in stages. The report can be an Activity Level Internal Control Monitoring Report (PPU) and an Entity-Level Internal Control Evaluation Report (EPITE).

DGT has demonstrated the existence of reliable standards, processes, and structures to implement internal controls.

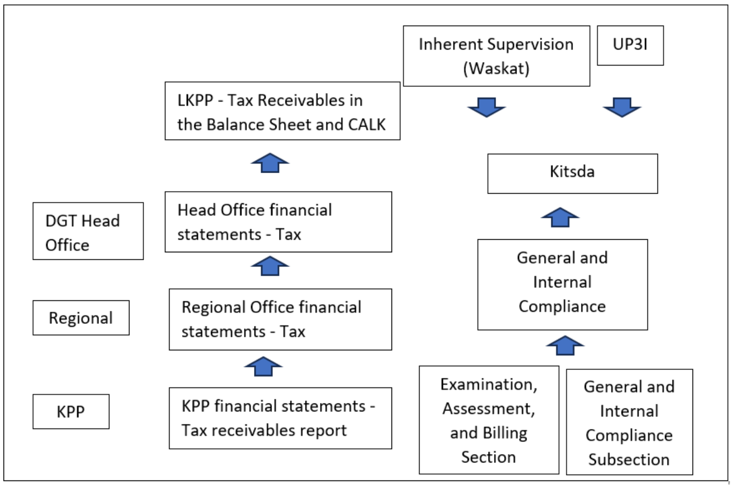

Figure 2. Internal Control Structure of DGT Tax Receivables

Source: Processed by the author

In addition, the structure, authority, and responsibility for managing internal control are also regulated. The organizational structure has been decentralized according to the nature of the organization. The billing, examination, and assessment sections have written procedures and policies for hiring, training, promoting, and rewarding employees.

Regarding integrity and ethics, DGT has a code of ethics that also covers tax receivables managers, for example, for the KPP level of executors, bailiffs, section heads, and office heads. Internal control monitors must also make integrity pacts. The dissemination activities of the Code of Ethics and its reports are the Monitoring Report on the Implementation of the Code of Ethics and the Code of Conduct and the Socialization of the Code of Ethics.

Several things still cause obstacles in the recognition of tax receivables. In PER-20/PJ/2020, related to the recognition of Tax Debt, tax debt arises due to tax law when the tax official issues a tax assessment letter. So, as long as there is no tax assessment letter, there is no tax debt, even though subjective conditions and objective conditions and time have been met. These conditions are a finding of the BPK because of tax provisions that should be issued but not for various reasons. From the interview, it is known that the unrecognition of tax receivables is as follows:

1. It is not yet clear which provisions have permanent legal force (inkracht) that are binding and must be paid by taxpayers because the decision document from the tax court has not been received. The system in the tax court has not been integrated with the DGT, so information on the results of appeal decisions only relies on physical documents received.
2. The amount of tax to be issued is a nominal value. However, quite a lot of the amount of the determination, so it seems the tax potential is significant even though the collection fee does not cover the bill's value. The concept of materiality should not be used in issuing tax assessments that later lead to the recognition of tax receivables.
3. Taxpayers are not known to exist, so if a tax assessment is issued, it can potentially pose a risk of tax receivables not collectible. According to the formal theory in Tax Debt recognition, according to SAP Conceptual Framework Paragraphs 90 and 91, Assets are recognized when the government obtains potential future economic benefits and have a value or cost that can be reliably measured or estimated. Taxpayers whose whereabouts are unknown by DGT are considered, and the potential economic benefits of paying the tax cannot be measured/estimated. Because these reasons are not explicitly regulated in the existing regulations, the delay in issuing the tax assessment is one of the examiner's findings by the BPK.
4. Human resources related to receivables administration must be improved to eliminate input errors and complete assignments on time. For example, the tax bailiff incorrectly entered the handover date of the Forced Letter Submission Report (LPSP) and did not input the LPSP handover date; the forced letter has not been notified to WP / PP, the anomaly of the handover date in the LPSP register, the LPSP date precedes the SP date, Case Management (CM) has not been closed so that random dates appear from the system, WP deletes / moves so that KPP cannot conduct further research, as well as the date the installment application has not been administrated at SIDJP. Lack of accuracy in the process of preparing LHP so that the issuance of SKP exceeds the specified time and input errors in tax assessments (Badan Pemeriksa Keuangan (BPK), 2021, 2022, 2023).

5. The inspection instruction should pay attention to the remaining period of issuance of SKP and the burden of the KPP so as not to encourage the use of manual numbers on the provisions issued (Badan Pemeriksa Keuangan (BPK), 2021).

3.2 Risk Assessment

The COSO concept defines risk assessment as a dynamic, continuous process that identifies and evaluates risks that could jeopardize the accomplishment of institutional goals. There's a possibility something will happen that will make it harder for the organization to accomplish its objectives. There are several dangers that any organization may encounter, both internal and external. Deciding on acceptable objectives, assessing fraud risks, finding and evaluating risks, and recognizing and evaluating major changes are all parts of the risk assessment process.

Receivables balances are components that used to have a risk of misstatement due to differences in data, both in the system (information system of the Directorate General of Taxes / SIDJP) and manual. One of the obstacles is that many tax receivable documents are made manually. Not all of these documents are in the system. A scanning process has been carried out to back up the owner of the source document against the tax receivable document digitally. Incomplete tax receivables documents can hamper the tax collection process and the write-off of tax receivables if they have expired.

Currently, the determination of the initial balance of tax receivables is the final balance of tax receivables for the previous fiscal year that has been audited, and an Audit Report has been issued by the Audit Board of the Republic of Indonesia (BPK RI) sourced from SIDJP. Meanwhile, changes in receivable balances in the current year are tax receivable balances sourced from the determination, adjustment, and settlement of a provision contained in the SIDJP.

From the results of interviews and LKPP audit reports, it is known that there is a determination of tax receivables issued not through the system but manually by the tax service office (KPP). This issue can pose a risk of misstatement in the LKPP government's financial statements. It is known that the formation of tax receivable balances at LKPP comes from balances at the level of the Tax Service Office (KPP), then at the DGT Regional Office level, and the DGT Head Office. Data on tax receivable balances at the KPP level are submitted to the General and Internal Compliance Subdivision by the Collection Section every semester to be recorded on the e-reckon application to form KPP Financial Statements.

DGT has set clear objectives so that risk identification and assessment related to these objectives can be carried out. DGT has also identified risks to achieving objectives and analyzed risks as a basis for risk management. The existence of a Risk Management Implementation Review by Suki shows that DGT has been able to set clear objectives for risks and provide an assessment of these risks.

DGT has considered the potential for fraud in conducting a risk assessment of achieving objectives. The Gratification Control Program report shows that one form of potential fraud in the form of gratification has been controlled. Fraud Risk Scenario is also used to mitigate the risk of fraud in managing tax receivables. The types of fraud are as follows:

1. Asset misappropriation, including misuse/theft of DGT assets or other parties.
2. Falsification of information, including actions taken by engineering to cover up the actual condition to obtain profit.
3. Corruption, including abuse of authority/conflict of interest, bribery, illegal gratuities, and economic extortion.

DGT has identified and assessed changes that could significantly impact the internal control system. This report can be seen in the Annual Monitoring Plan conducted by KITSDA. The report identifies matters that need to be assessed by considering changes that significantly impact the SPI. The finding that the DGT has not issued STP for the lack of principal tax deposits and sanctions for late tax deposits by BPK should make the issuance of STP one of the items monitored every year.

3.3 Control Activities

Control activities are procedures established through policies and arrangements that help ensure the implementation of management directives to reduce risks associated with achieving the entity's objectives. The components of control activities are selecting and developing control activities, selecting and developing general control over technology, and disseminating it through policies and procedures.

SPI monitoring and evaluation activities on Tax Receivables Administration are regulated by KITSDA, which is carried out monthly through monitoring activities based on the Annual Monitoring Plan. Based on SPI monitoring and evaluation, the KPP Internal Compliance Unit, DGT Regional Office, and KITSDA Directorate provide adequate assurance regarding the compliance of tax receivables administration procedures by applicable regulations.

The main activities in the entity's billing section are relevant to the vision, mission, goals, and objectives of DGT. The critical performance indicator criteria for the main activities in the billing section are derived from KPP KPIs. We can be seen from the KPIs in the billing, examination, and assessment section, the Strategic Plan of the billing, examination, and assessment section, the proposed work plan, and the budget proposal.

In risk analysis, there is a benefit-cost analysis of tax collection to show the amount of residual risk that can be accepted by the entity (lower than appetite risk). There is no benefit-cost analysis in risk control activities over the management of tax receivables. This activity should be done so that the benefits can outweigh the risks. However, the applicable rules have not adopted the materiality principle to billing administration. This finding led to audit findings related to tax receivables that should have been issued, and active collection efforts were carried out, but the amount was not material.

The administration of tax receivables is sourced from SIDJP. There are problems in the tax receivables database when WP moves to another KPP. Still, not all data appears in the new KPP database, especially the date of issuance of Surat Paksa. This information is essential because collection expired can be suspended if a forced letter is issued, there is a debt recognition from WP either directly or indirectly, SKPKB or SKPKBT is issued, and criminal investigations are carried out in taxation. Not connected with legal remedy data and state revenue data causes the initial balance correction and tax receivable value correction every year, thus creating a risk that the tax receivable balance presented each year is not the actual tax receivable balance. DGT needs to develop adequate integration of SIDJP and MPN to detect early NPWP and KOHIR numbers that are not recorded entirely and incorrectly in MPN during tax payments. In addition, SIDJP, as a tool for issuing tax assessments, must have application control over the numbering of tax assessments to avoid unordered and manual numbers (Badan Pemeriksa Keuangan (BPK), 2021, 2022, 2023).

It will later be integrated into the Tax Administration Core System Update (PSIAP) in line with technological developments. This integration needs to be considered regarding the mechanism to assess the risk of tax collection due to new information systems, such as data loss and inappropriate data changes.

3.4 Information and Communication

It describes the ongoing, iterative process of supplying, exchanging, and acquiring the required data. Information is distributed to all divisions within the institution through communication. Utilizing pertinent information and communicating both internally and outside are the components of information and communication.

The billing, auditing, and assessment section has guidelines regarding the types and mechanisms of tax collection reporting related to mission information, aims and objectives, and the achievement of operating performance. These reports include reports on the development of tax arrears, reports on the 100 most significant tax delinquent tax, and reports on expired tax receivables. The report is sent in stages from the Billing Section, examination, and assessment of KPP to the Billing Guidance Field of the regional and head office.

The development of tax collection information systems is carried out based on the strategic plan of the information system associated with the general strategy of the entity and the achievement of general objectives and activities of the entity. One form is the development of PSIAP, which includes developing a tax receivable information system from balances, determination, reduction, and elimination.

In the communication of tax collection data, there is data that other parties cannot access by applicable laws, by Article 54 PP 50 of 2022, which is the implementing regulation of the KUP Law. Therefore, mechanisms regarding open and effective communication channels with the general public regarding detailed tax receivables data cannot be carried out. Meanwhile, for the needs of supervisory officers and other third parties excluded from the regulation, access will be given by applicable provisions with written permission from the Minister of Finance.

There is a reporting/recapitulation of input and complaints related to tax collection from the public and other parties outside the organization. This procedure is regulated in the procedure for complaints, including in the administration of tax receivables, for example, related to tax collection. Available channels are by telephone kring pajak: 1500200, by e-mail: pengaduan@pajak.go.id., by fax: (021) 584792, by mail / come directly to Directorate of Counseling, Services, and Public Relations. Main Building, 16th Floor. Head Office of Directorate General of Taxes, and lapor.go.id.

DGT has also used effective communication methods, including policy and procedure manuals, management directives, memoranda, notifications, internet and intranet sites, messages via videotape, e-mail, and speeches in various matters related to tax receivables administration. These media include Instagram @ditjenpajakri, YouTube Directorate General of Taxes, Twitter #PajakKitaUntukKita (@DitjenPajakRI), Press Release pajak.go.id.

3.5 Monitoring

To make sure that all five internal control components are present and functioning as intended, monitoring activities are conducted using intermittent or continuous evaluation methods, or through a mix of these. One aspect of monitoring involves carrying out independent, ongoing assessments as well as identifying and reporting shortcomings.

Internal control monitoring is an activity carried out by management to assess the quality of the internal control system at all times. Internal control monitoring is carried out to ensure that the specified controls have been implemented and the control design is adequate. Internal control monitoring is carried out in two ways: continuous monitoring/inherent supervision and separate evaluation. The organizational structure carries out continuous monitoring/inherent supervision, i.e., superiors to subordinates. Supervision activities inherent in the management of tax receivables must be increased so there is no risk or non-compliance. Separate Evaluations conducted by DGT refer to KEP-238/PJ/2012 concerning implementing Internal Control within the Directorate General of Taxes, DGT, by establishing the Internal Control Monitoring Implementation Unit (UP3I).

SPI monitoring and evaluation activities on Tax Receivables Administration are regulated by KITSDA, which is carried out monthly through monitoring activities based on the Annual Monitoring Plan. Based on SPI monitoring and evaluation, the KPP Internal Compliance Unit, DGT Regional Office, and KITSDA Directorate provide adequate assurance regarding the compliance of tax receivables administration procedures by applicable regulations. The Internal Compliance Unit makes monitoring and evaluation reports on SPI on Tax Receivables Administration following applicable provisions on a tiered basis. The Directorate of KITSDA conducts follow-up monitoring and evaluation reports on SPI on the Administration of Tax Receivables by applicable regulations. The types of monitoring reports prepared by UP3I consist of:

1. Main Control Monitoring Table (PPU);
2. reports of significant findings;
3. Report of Findings Indicating Fraud;
4. Biweekly Report (Summary of activity results, findings, recommendations, follow-up progress on recommendations);
5. Monthly Report (Summary of activity results, findings, recommendations, progress of follow-up on recommendations);
6. Quarterly Report (Summary of activity results, Findings, Recommendations, Progress of follow-up on recommendations);
7. Semi-Annual Report (Summary of activity results, findings, recommendations, progress of follow-up on recommendations); and
8. UP3I Special Report (submitted to the Director General of Taxes through the Director of KITSDA).

DGT has a logical and adequate monitoring method for internal control activities, especially related to tax receivables management. The methods that can be used are the Survey Method, Sidak Method, Observation Method, Surveillance Method, Social Media, and Monitoring Conclusion Working Paper. The sample that UP3I will carry out is the sampling technique with random sampling.

DGT has a mechanism that ensures that there is an immediate resolution of the findings of the inspection or other review related to the management of tax receivables. This mechanism can be seen from the report from UP3I and the Monitoring report on Follow-up Monitoring of Supervisory Results (Itjen, BPK, KITSDA).

DGT regularly monitors the organization's operations, and the results of such monitoring have been documented. This documentation can be seen from the Activity Level Internal Control (PPU) Monitoring report. In addition, internal auditors (Itjen Kemenkeu) are involved in monitoring (ongoing monitoring), and internal audit activities have been carried out effectively.

From the results of the CPC audit and interview, it is known that there are still unfinished suspension data. Suspend Data is transaction data in which part or all of the data elements are not by accounting rules, so the RAS Module TPA Application cannot record them. In 2020, the suspension data amounted to IDR 51,794,062,313.00. KITSDA carries out the monitoring process for the settlement of suspended data.

4. CONCLUSION AND SUGGESTION

4.1 Conclusion

The adoption of the Committee of Sponsoring Organizations on the Treadway Commission (COSO) framework methodology in assessing DGT's internal control system processes shows that DGT has applied the COSO concept consistently. The implementation of the Government Internal Control System implemented by DGT generally refers to Government Regulation Number 60 of 2008 concerning the Government Internal Control System and internal control practices based on the framework and guidelines issued by the COSO.

However, several things need attention and can be improved so that the internal control system can be even better. SPI Control Environment that needs attention is the integrity of employees related to the administration of tax receivables. Although there are clear rules, they are guarded so that there is no misappropriation. Errors and inaccuracies of human resources related to the administration of tax receivables and UP3I must be minimized so that tax receivables data is presented correctly. Risk Management SPI DGT still has to be improved, considering that taxes have the highest risk, especially in terms of fraud and professionalism. In addition, the risk of non-fulfillment of documents and maximum effort in tax collection can cause tax receivables to become uncollectible, stuck, and expired.

DGT's SPI Control Activities have been carried out well. However, there are repeated findings in the LHP in terms of weaknesses in the receivables administration system due to loopholes in using manual mechanisms in tax determination, data migration, and non-integration of SIJDP with comparison and payment data. Information & Communication SPI DGT has been running well with several communication channels that allow corrections and complaints by external parties. Internal Control Monitoring by the Directorate of KITSDA as the Internal Compliance Unit of the DGT Head Office needs to improve effective Internal Control monitoring according to COSO Guidance on Monitoring Internal Control Systems, especially in conducting further analysis of the results of risk assessment from BPK LHP to select activities to be monitored according to the Annual Monitoring Plan, for example, the issuance of sanctions, data suspension, and confiscation. It is essential to prepare for system changes at the DGT Head Office with the implementation of PSIAP. Monitoring by UP3I at the KPP and regional office levels also needs to be improved, one of which is by selecting samples with the purposes sampling method with criteria including BPK audit findings, the same as those carried out by KISTDA.

4.2 Limitation

This research is limited to central taxes, income tax, and VAT, excluding local tax. The respondents are located in tax offices in Jakarta.

4.3 Suggestion

The next researchers can examine the SPI specifically for the local tax to make it more comprehensive. They can use other approaches to illustrate the application of SPI in DGT. DGT can share data with the Supreme Court regarding decisions and legal remedies of taxpayers to find out whether the taxpayer's legal remedies have had an inkracht decision or not and what the decisions are. The arrangement of human resources and systems/applications is significant in supporting the implementation of SPI so that the presentation of receivables can be better and avoid the findings of the BPK.

4.4 Implication

The implication of this research is the need for tax officials and system improvement. The integrity of employees related to the administration of tax receivables is very important to present tax receivables data correctly. The implementation of PSIAP will reduce weaknesses in the receivables administration system due to manual mechanisms and monitoring.

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Glossary

Term	Definition
APBN	State Budget
BPK	The Audit Board of The Republic of Indonesia
CALK	Notes to Financial Statements
CM	Case Management
COSO	The Committee of Sponsoring Organizations Of Treadway Commission
DGT	Directorate General of Taxes
EPITE	Entity-Level Internal Control Evaluation Report
ITJEN	Inspectorate General
JSPN	Tax Bailiff
KITSDA	Internal Compliance and Transformation of Apparatus Resources
KPP	Tax Service Office
LHP	Audit Reports
LKPP	Central Government Financial Statements
LPSP	Forced Letter Submission Report ()
PIFC	Public Internal Financial Control
PMK	Decree of the Minister of Finance
PP	Government Regulation
PPU	Activity Level Internal Control Monitoring Report
PSAP	Statement of Government Accounting Standards
RAS	Revenue Accounting System
SAP	the Government Accounting Standards
SE	Circular Letter
SIDJP	Information Systems Directorate General of Taxation
SKPKB	Underpaid Tax Assessment Letter
SKPKBT	Additional Underpaid Tax Assessment Letter
SPI	Internal Control System
SPIP	Government's Internal Control System
STP	Tax Bill
TPA	Taxpayer Account
UP3I	Internal Control Monitoring Implementation Unit
UU HPP	Law on Harmonization of Tax Regulations
Waskat	Inherent Supervision

BAGAIMANA TATA KELOLA PERUSAHAAN DAN NEGARA BERINTERAKSI DALAM PENGUNGKAPAN LINGKUNGAN PERUSAHAAN DI ASEAN?

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Abstract— *This study tries to determine how the regulatory environment of the nation interacts with company governance to affect the amount of pengungkapan lingkungan. The research uses quantitative methods (panel data regression). Data was obtained from a database of 109 ASEAN public companies during 2012-2020. The results demonstrate that: (1) Higher environmental disclosures is more likely to occur in firms with great corporate governance (β = 0,002; p-value<0,05). (2) Likewise, if the company operates in a country with supportive state governance (β = 0,008; p-value<0,1). (3) Corporate and state governance work together (complementary) regarding environmental disclosures (β = 0,000; p-value<0,1). The research contributes evidence on the association connecting corporate governance and agency theory and supports it, the state and environmental disclosures. The study emphasizes the significance of environmental disclosures in combating climate change as well as ASEAN's low level of awareness and compliance. The study findings provide further insight by interacting corporate and state governance which are the two main considerations for environmental disclosure.*

Keywords:**ASEAN;** ***Agency Theory; Corporate Governance; Country Governance; Environmental Disclosures.***

1. PENDAHULUAN

1.1 Latar Belakang

Gerged (2021a) mendefinisikan pengungkapan lingkungan sebagai pengungkapan informasi kepada pihak eksternal mengenai kebijakan, aktivitas dan kinerja lingkungan hidup yang telah dilakukan oleh perusahaan. Berbagai penelitian mendapati hasil bahwa kebijakan pengungkapan yang baik memberikan berbagai dampak positif, seperti pada biaya modal, biaya utang, hingga likuiditas saham yang lebih baik (Leuz & Verrecchia, 2000). Dalam sejumlah periode akhir-akhir ini, permintaan atas pengungkapan lingkungan baik dari sudut pandang publik maupun swasta mengalami kenaikan. Beberapa negara telah berupaya untuk mendapatkan manfaat potensial dari peningkatan pengungkapan dengan memberlakukan persyaratan pengungkapan yang lebih ketat pada perusahaan. Misalnya, saat ini telah dilakukan pengembangan kebijakan pelaporan dan peraturan baru tentang pengungkapan lingkungan. Seperti penelitian yang dilakukan oleh Talbot & Boiral (2015a) yang menunjukkan adanya upaya peningkatan transparansi perusahaan demi kepentingan investor dan semakin banyak negara yang mewajibkan perusahaan untuk mengadopsi *International Financial Reporting Standards* (IFRS). Permintaan dan tekanan juga datang dari pelaku pasar dan investor, pada khususnya. Mereka yang sebelumnya tidak tertarik pada pengungkapan lingkungan, kini menaruh perhatian pada informasi tersebut (Amir & Lev, 1996; Paula Monteiro dkk., 2022). Namun, kuantitas dan kualitas pengungkapan perusahaan selain laporan keuangan sangat bergantung pada kebijaksanaan manajemen masing-masing perusahaan dan bervariasi antar perusahaan dan negara (Ioannou & Serafeim, 2012a). Hal ini karena informasi yang diungkapkan dan cara penyajiannya umumnya diserahkan kepada kebijaksanaan manajer. Mengingat pengungkapan lingkungan merupakan bagian dari informasi non-keuangan yang tidak mengikuti format standar seperti halnya informasi keuangan (Elzahar dkk., 2015).

Penelitian ini ingin meneliti bagaimana pengaturan tata kelola perusahaan berinteraksi dengan lingkungan hukum negara asalnya untuk mempengaruhi tingkat pengungkapan lingkungan. Tata kelola tingkat negara bisa dipandang sebagai proses dan struktur yang menyediakan konteks penggunaan sumber daya dalam suatu negara. Hal ini menjadi lebih sering digunakan dalam literatur akademis terutama dalam beberapa tahun terakhir dalam bentuk *World Governance Index (WGI)* Bank Dunia (D. Kaufmann dkk., 2011a). Komitmen perusahaan terhadap pengungkapan yang tinggi akan mengurangi permasalahan asimetri informasi antara berbagai pihak, seperti manajer dan pemangku kepentingan serta antara investor dengan informasi perusahaan dan kekurangan informasi perusahaan (Albitar, Hussainey, dkk., 2020a), namun literatur akademis sebelumnya mempertanyakan faktor-faktor yang menentukan praktik pengungkapan dan mengidentifikasi berbagai pendekatan teoritis.

Teori agensi dipilih karena teori ini yang dinilai paling relevan pada studi ini. Menurut teori ini, adanya penerapan mekanisme pengendalian internal akan meningkatkan proses pemantauan dari strategi dalam pengungkapan manajer (W. R. Scott, 1987) dan mengurangi kemungkinan untuk menyembunyikan informasi. Atau dapat dikatakan bahwa struktur tata kelola yang kuat dapat memberi motivasi manajer dalam mengungkapkan lebih banyak informasi. Sama halnya dengan pengungkapan, mekanisme tata kelola perusahaan dimaksudkan guna mengatasi adanya informasi yang asimetri diantara manajemen dan pemegang saham. Dalam penelitian ini, kami mengadopsi pandangan tata kelola perusahaan berbasis teori keagenan tradisional dan kemudian fokus pada pendekatan organisasi atau “sistem terbuka” terhadap tata kelola perusahaan. Perspektif ini dikemukakan oleh Aguilera dkk. (2008). Perspektif ini memperluas pandangan tata kelola perusahaan berbasis agensi dengan mempertimbangkan kontinjensi dan interaksi pengaturan tata kelola perusahaan. Meskipun pandangan tradisional mengenai tata kelola perusahaan yang berbasis teori agensi berusaha membangun hubungan universal antara praktik tata kelola perusahaan dan variabel hasil tanpa memandang konteks organisasi, pandangan organisasi menunjukkan bahwa pengaturan tata kelola perusahaan menghasilkan dampak yang berbeda dalam konteks lingkungan yang berbeda (W. Scott, 1998; Thompson, 2003).

Dalam beberapa tahun terakhir, beberapa negara telah memperkenalkan persyaratan peraturan baru untuk meningkatkan perlindungan investor dan meningkatkan efisiensi pasar modal. Namun, bagaimana peraturan tata kelola tingkat negara berinteraksi dengan mekanisme tata kelola perusahaan di tingkat perusahaan dalam mempengaruhi tingkat pengungkapan perusahaan masih belum diketahui. Studi kami mengeksplorasi kemungkinan adanya hubungan yang saling melengkapi (komplementer) atau menggantikan (substitutif) antara sistem tata kelola tingkat perusahaan dan sistem hukum negara mereka sehubungan dengan pengungkapan. Efek peningkatan transparansi dari kuatnya tata kelola perusahaan mungkin semakin tinggi di lingkungan hukum yang kuat, mengimplikasikan bahwa mekanisme tata kelola di tingkat entitas dan negara memberikan efek yang saling melengkapi terhadap pengungkapan perusahaan. Namun, pengaturan tata kelola perusahaan juga dapat berfungsi sebagai mekanisme pengikatan dalam lingkungan hukum yang lemah. Dalam lingkungan seperti ini, perusahaan mungkin berkomitmen terhadap pengaturan tata kelola perusahaan yang lebih kuat, yang mungkin menyebabkan pengaturan tersebut memiliki lebih besar peran dalam menaikkan transparansi dibandingkan dalam lingkungan hukum yang kuat. Situasi ini menunjukkan adanya hubungan substitusi antara mekanisme tata kelola di tingkat perusahaan dan tingkat negara. Adanya perbedaan hukum, agama, budaya diantara negara-negara ASEAN, dapat memberi gambaran atas pengaruh variabel tata kelola tingkat negara terhadap pengungkapan lingkungan.

Terdapat beberapa kesenjangan penelitian terdahulu. Penelitian sebelumnya menguji hubungan sistem tata kelola perusahaan dengan aktivitas pengungkapan. Banyak dari studi terdahulu menyelidiki apakah dan bagaimana indeks pengungkapan yang dibangun sendiri berdasarkan data yang dikumpulkan secara manual merespons mekanisme tata kelola perusahaan yang dipilih di tingkat Perusahaan (D'Amico dkk., 2016a; Giannarakis dkk., 2019a; Jizi, 2017a; Rao dkk., 2012a). Meskipun sebagian besar penelitian sebelumnya menemukan bahwa tata kelola perusahaan memberikan dampak positif terhadap keterbukaan informasi, beberapa penelitian menunjukkan hasil yang beragam atau mengindikasikan dampak negatif tata kelola pada pengungkapan. Salah satu alasan terjadinya hasil yang beragam ini mungkin karena penelitian-penelitian tersebut fokus pada kondisi kelembagaan yang spesifik namun berbeda dalam satu negara (Giannarakis dkk., 2019a). Aliran literatur yang lebih baru mengkaji interaksi mekanisme tata kelola perusahaan dan lingkungan hukum perusahaan. Seperti Jacoby dkk. (2019) menemukan bahwa di negara-negara berkembang, perusahaan dengan mekanisme tata kelola perusahaan yang lebih kuat cenderung mengadopsi strategi pengendalian eksternal untuk meningkatkan transparansi informasi lingkungan mereka. Arslan & Alqatan (2020) menemukan bahwa konteks kelembagaan, termasuk lingkungan hukum, memegang peranan penting di dalam membentuk sistem tata kelola tingkat perusahaan di negara-negara berkembang. Namun, belum ada penelitian sebelumnya yang meneliti bagaimana tata kelola perusahaan dan lingkungan hukum berinteraksi mempengaruhi pengungkapan lingkungan. Penelitian ini mencoba mengisi kekosongan ini dengan menyelidiki potensi dampak interaksi pada tingkat perusahaan dan negara sehubungan dengan pengungkapan sebagai variabel hasil.

Dalam studi ini, kami menguji secara empiris apakah dampak pengaturan tata kelola perusahaan bervariasi menurut lingkungan hukum dan menilai apakah varians yang diamati mencerminkan hubungan yang saling melengkapi atau substitutif antara pengaturan tata kelola perusahaan dan lingkungan hukum dalam pengungkapan lingkungan. Tata kelola perusahaan merupakan sebuah sistem yang membantu menyeimbangkan tujuan ekonomi sekaligus sosial perusahaan, sehingga tercapai keseimbangan di antara kepentingan pemegang saham dan masyarakat umum (Giannarakis dkk., 2019b). Lebih jauh, menurut penelitian sebelumnya, pengaturan tata kelola perusahaan yang baik (seperti komposisi *boards* dan *ownership structure*) bisa melindungi kepentingan *stakeholders* selama proses pengambilan keputusan (Ashfaq & Rui, 2019a), dengan mendorong manajer untuk melakukan pengungkapan informasi tentang perusahaan lebih banyak. Kepatuhan terhadap praktik tata kelola perusahaan yang baik dapat meningkatkan alokasi sumber daya perusahaan dan, yang lebih penting, bagaimana menciptakan strategi lingkungan dan mengungkapkan informasi (Jizi, 2017b).

Diharapkan penelitian ini dapat berkontribusi dalam beberapa aspek. Pertama, penelitian ini berkontribusi pada penelitian sebelumnya dengan memeriksa sampel perusahaan lintas negara dalam jumlah besar. Pada dasarnya hanya sedikit penelitian tentang hubungan antara tata kelola perusahaan dan pengungkapan lingkungan di negara ASEAN (Alshbili dkk., 2019; Elamer dkk., 2020). Kedua, penelitian juga berkontribusi dalam menyelidiki kembali teori agensi pada konteks pengungkapan non-keuangan Perusahaan, khususnya pengungkapan lingkungan. Hasil penelitian akan memberi bukti apakah teori agensi masih relevan digunakan dalam menjelaskan asosiasi tata kelola pada pengungkapan pada konteks lingkungan yang berbeda. Ketiga, penelitian sebelumnya telah secara terpisah menguji dampak pengaturan tata kelola perusahaan terhadap keseluruhan. Penelitian berupaya berkontribusi pada literatur tentang komplementaritas dan kontinjensi yang mempengaruhi perilaku Perusahaan. Dimana penelitian ini menguji interaksi antara pengaturan tata kelola perusahaan dan peraturan tata kelola di tingkat negara dan menilai bagaimana hubungan tata kelola tingkat perusahaan dengan pengungkapan bergantung pada sistem lingkungan hukum perusahaan. Melalui analisis ini, penelitian berupaya berkontribusi pada aliran literatur yang membahas bagaimana interaksi mekanisme tata kelola di tingkat perusahaan dan negara mempengaruhi variabel hasil. Keempat, diharapkan penelitian memiliki manfaat bagi penetap kebijakan atau regulator publik yang sedang mempertimbangkan untuk memberlakukan aturan baru yang diperlukan untuk meningkatkan perlindungan investor atau tata kelola perusahaan.

Struktur penelitian ini diawali dengan eksplorasi latar belakang dan konteks penelitian pada Bagian 1 'Pendahuluan', menggali literatur dan hipotesis yang relevan pada subbagian 1.1 dan 1.2. Bagian selanjutnya memberikan penjelasan rinci tentang metodologi penelitian di Bagian 2 ('Metodologi Penelitian'), diikuti dengan presentasi dan pembahasan temuan di Bagian 3 ('Hasil dan Pembahasan'). Terakhir, kesimpulan temuan dan implikasi utama, serta rangkuman keseluruhan penelitian ada di Bagian 4 (“Kesimpulan”).

1.2 Rumusan Masalah

Berdasarkan latar belakang penelitian, maka rumusan masalah penelitian ini adalah sebagai berikut:

1. Bagaimana hubungan tata kelola perusahaan dengan pengungkapan lingkungan?
2. Bagaimana hubungan tata kelola negara dan pengungkapan lingkungan?
3. Bagaimana hubungan tata kelola negara dengan tata kelola perusahaan dalam mempengaruhi pengungkapan lingkungan?

1.3 Telaah Literatur dan Hipotesis

1.3.1 Konteks Penelitian

Pengungkapan lingkungan mengacu pada informasi kuantitatif atau kualitatif yang mengukur, memperkirakan atau menghitung dampak lingkungan perusahaan (Burritt, 2002). Penelitian ini sendiri mengikuti Islam (2009) dalam melihat pengungkapan lingkungan sebagai "istilah yang berkaitan dengan pengungkapan informasi yang dilakukan secara sukarela tentang kinerja perusahaan dalam aspek yang lebih luas dari praktik lingkungan perusahaan". Informasi lingkungan dapat diberikan dalam bentuk moneter atau non-moneter melalui laporan atau situs web perusahaan (Radu & Francoeur, 2017). Literatur akademik telah menggarisbawahi pentingnya pengungkapan lingkungan yang dapat diandalkan (Nyquist, 2003) dan mencatat adanya variabilitas yang besar dalam tingkat, bentuk, dan kualitas informasi lingkungan yang disebarluaskan oleh perusahaan (Radu & Francoeur, 2017). Representasi dampak lingkungan yang benar dapat dianggap sebagai pilihan strategis bagi perusahaan (Yin & Wang, 2018).

Pada faktanya, pertama-tama, pengungkapan lingkungan dapat menjadi alat untuk meningkatkan reputasi, menciptakan citra perusahaan yang baik (Huang & Chen, 2015) dan meningkatkan keterlibatan pemangku kepentingan yang memperhatikan masalah keberlanjutan dan peduli dengan risiko litigasi lingkungan dan kebijakan lingkungan (Yin & Wang, 2018). Selanjutnya, pengungkapan lingkungan dapat menjadi alat untuk meyakinkan pemangku kepentingan dan calon investor tentang kemampuan perusahaan untuk membangun atau mempertahankan keunggulan kompetitif di masa depan (Herremans dkk., 1993). Dalam hal ini, menurut Epstein dan Freedman (1994), banyak investor tertarik untuk meneliti pengungkapan lingkungan untuk membuat keputusan investasi, mendukung investasi di perusahaan yang sangat transparan dari sudut pandang lingkungan. Selain itu, menurut penulis, bagi banyak investor, pengelolaan lingkungan merupakan elemen yang lebih penting daripada peningkatan dividen. Lebih lanjut, pengungkapan lingkungan dapat menjadi solusi untuk menarik lebih banyak konsumen yang tertarik pada masalah lingkungan (Flammer, 2013), melalui representasi yang benar dari produk dan proses produksi yang paling ramah lingkungan yang lebih berorientasi pada perlindungan lingkungan (Yin & Wang, 2018).

Salah satu determinan yang berpotensi berdampak pada tingkat pengungkapan lingkungan adalah tata kelola perusahaan. Sesuai penelitian sebelumnya, definisi tata kelola perusahaan dinilai semakin lebih rumit (Chiang & Chia, 2005; Connelly dkk., 2017). Pada tahun 2001, OECD telah mendefinisikan tata kelola perusahaan sebagai: lembaga yang dimiliki oleh publik ataupun badan swasta, yang didalamnya adalah peraturan dan praktik bisnis yang ditetapkan, dimana dalamnya, hubungan manajer dan *insiders* perusahaan di satu sisi, di sisi lainnya yaitu pemegang saham/investor/debitur perusahaan (hubungan, dalam ekonomi pasar) diatur (Oman, 2001). Kemudian, OECD menyebutkan karakteristik kerangka tata kelola perusahaan sebagai berikut: Perusahaan harus mengembangkan kerangka tata kelola perusahaan yang bertujuan dalam menjunjung integritas pasar melalui insentif yang diciptakan terhadap pelaku pasar, dengan promosi transparansi dan efisiensi, sehingga secara keseluruhan dapat meningkatkan kinerja ekonomi secara keseluruhan (OECD, 2004). Setelah itu, banyak peneliti mencoba untuk mendefinisikan tata kelola perusahaan dari perspektif mereka; Clarke (2004) telah mendefinisikan tata kelola perusahaan sebagai "menyeimbangkan kepentingan kompleks dalam mengejar penciptaan nilai untuk kepentingan konstituen yang luas". Tata kelola perusahaan adalah suatu mekanisme (yang didorong pemegang saham) agar manajer bertindak sesuai kepentingan pemegang saham, serta memastikan pasar modal berfungsi berjalan efektif dengan memberi tingkat kepercayaan yang dibutuhkan (Rezaee, 2009). Akinkoye dan Olasanmi (2014) mendefinisikan tata kelola perusahaan sebagai pedoman, praktik, kebiasaan, dan peraturan yang memutuskan bagaimana perusahaan harus beroperasi. Baru-baru ini, Elghuweel dkk. (2017) mendefinisikan tata kelola perusahaan sebagai komite yang bertujuan untuk mempromosikan praktik tata kelola dengan mendefinisikan pengaturan tata kelola secara jelas dan memastikan bahwa kerangka tata kelola yang diadopsi oleh perusahaan diikuti dan diperbarui.

Adapun tata kelola yang berkaitan dengan perusahaan tidak hanya dalam tingkat perusahaan, melainkan juga meliputi tata kelola yang ada setiap negara (tata kelola negara). World Bank menjelaskan bahwa tata kelola negara berisikan institusi dan juga tradisi di mana otoritas di suatu negara dijalankan, yang mana di dalamnya termasuk proses di mana rakyat memilih, memantau dan mengganti pemerintah; kemampuan pihak pemerintah dalam melakukan perumusan dan melaksanakan kebijakan sehat secara efektif; serta rasa hormat institusi (yang mengatur interaksi ekonomi dan sosial) yang diberikan oleh warga negara (D. A. K. Kaufmann, 2020). Banyak faktor tingkat negara mungkin dianggap mempengaruhi pengungkapan lingkungan. Di antaranya termasuk adanya peraturan pengungkapan atau kerangka pengungkapan sukarela (Baldini dkk., 2018; Talbot & Boiral, 2015b). Seperti contohnya, Meng dkk. (2014) mendokumentasikan bahwa pemerintah Cina telah mengeluarkan peraturan ketat yang mewajibkan perusahaan untuk mengungkapkan pencemaran lingkungan bersama dengan tindakan perbaikan mereka. Di Amerika Serikat, merujuk Arikan, Reinecke, Spence, & Morrell (2017), pemerintahan Obama mengesahkan *Dodd-Frank Act of 2010*, yang sangat penting dalam mendorong pengungkapan non-keuangan perusahaan, termasuk pengungkapan lingkungan, di antara perusahaan yang terdaftar (Dalla Via & Perego, 2018).

1.3.2 Penelitian Terdahulu

Penelitian ini berhubungan dengan sejumlah topik-topik penelitian sebelumnya**.** Error! Reference source not found. merangkum penelitian sebelumnya terkait dengan hubungan tata kelola perusahaan dan pengungkapan lingkungan di berbagai lokasi di seluruh dunia. Meskipun sebagian besar penelitian sebelumnya menunjukkan bahwa tata kelola perusahaan memberikan manfaat pada pengungkapan, beberapa penelitian menunjukkan hasil yang bertentangan atau menunjukkan bahwa tata kelola memiliki dampak yang merugikan pada pengungkapan. Lebih spesifik, penelitian dengan tata kelola yang serupa namun terdapat beberapa aspek lain yang berbeda, seperti independensi dewan, akan menghasilkan hasil yang berbeda. Fakta bahwa penelitian-penelitian ini berfokus pada pengaturan kelembagaan yang berbeda di setiap negara mungkin menjadi salah satu alasan mengapa hasil penelitian dapat beragam. Di sini hanya sedikit penelitian yang melihat hubungan antara tata kelola perusahaan dan pengungkapan secara global.

Tabel 1. Penelitian Terkait Pengukuran Tata Kelola Perusahaan

Peneliti	Tujuan	Konteks (Periode)	Temuan
Panel A: Penelitian lalu terkait tata kelola perusahaan dan pengungkapan lingkungan pada negara maju			
Liao dkk. (2015)	Menyelidiki dampak tata kelola perusahaan pada pengungkapan gas rumah kaca	329 perusahaan UK (2011)	Beberapa struktur tata kelola perusahaan, seperti direktur wanita, independensi dewan, dan ukuran dewan, secara positif terkait dengan pengungkapan gas rumah kaca di Inggris, sementara mekanisme tata kelola perusahaan lainnya, seperti direktur non-eksekutif, terkait secara negatif.
Tauringana dan Chithambo (2015)	Memeriksa apakah pengaturan tata kelola perusahaan mempengaruhi pengungkapan gas rumah kaca	Perusahaan UK (2008-2011)	Di Inggris, konsekuensi dari kerangka tata kelola perusahaan dan pengungkapan gas rumah kaca bervariasi, menurut penelitian ini. Pengungkapan GRK berkorelasi positif dengan ukuran *board directors*, sedangkan pengungkapan GRK berkorelasi negatif dengan kepemilikan direktur dan kepemilikan bersama.
Rao et. al. (2012b)	Mengeksplorasi hubungan antara tata kelola perusahaan dan pengungkapan lingkungan	100 perusahaan Australia (2008)	Analisis menemukan hubungan positif yang signifikan antara tingkat pelaporan lingkungan dan proporsi *directors* independen dan perempuan di *directors*. Temuan tidak mendukung hubungan negatif antara tingkat pelaporan lingkungan dan investor institusional dan ukuran *boards* seperti yang telah diprediksi sebelumnya, melainkan menunjukkan hubungan positif.
Prado-Lorenzo dan Graciia-Sanchez (2010)	Mempelajari dampak tata kelola perusahaan pada pengungkapan gas rumah kaca	Perusahaan Internasional FTSE Global Equity Index Series, Global 500 (2008).	Ditemukan terdapat hubungan di antara rapat b*oard of directors*, ukuran dan keragaman, dan *disclosure* gas rumah kaca di seluruh dunia. Dualitas CEO dan independensi *boards*, di sisi lain, berhubungan positif dengan pengungkapan GRK.
Chiu dan Wang (2015)	Memeriksa hubungan tata kelola perusahaan dan pelaporan keberlanjutan	246 perusahaan Taiwan (2010-2011)	Menunjukkan kerangka tata kelola perusahaan memiliki berbagai efek pada pelaporan keberlanjutan di Taiwan. Meskipun jumlah direksi, direktur independen, dan *audit committee* semuanya berhubungan secara positif dengan pelaporan keberlanjutan, variabel kepemilikan direktur

Peneliti	Tujuan	Konteks (Periode)	Temuan
			ditemukan berhubungan negatif dengan pelaporan keberlanjutan di negara tersebut.
D'Amico dkk. (2016b)	Melakukan penyelidikan antara tata kelola perusahaan dengan pengungkapan lingkungan	Perusahaan Italia (2006-2009)	Hasil menunjukkan bahwa di Italia, variabel pemegang saham publik berhubungan positif dengan CED, sedangkan kepemilikan perusahaan dan komite audit berhubungan negatif dengan pengungkapan lingkungan.
Jizi (2017b)	Periksa dampak komposisi dewan pada pengungkapan lingkungan	Perusahaan UK (2007–2012)	Menurut temuan, perusahaan yang mengungkapkan pengaruh komposisi dewan pada tindakan lingkungan memiliki karakteristik dewan yang lebih seragam, seperti jumlah *boards* yang lebih banyak, dewan independen, dan keragaman gender beragam.
Giannarakis dkk. (2019b)	Memeriksa hubungan pengungkapan lingkungan *boards*-perusahaan	278 perusahaan USA (1 tahun)	Sementara usia direktur termuda berbanding terbalik dengan pengungkapan lingkungan, direktur independen" dan "posisi direktur independen utama tampaknya mendorong pilihan untuk memperkuat pengungkapan lingkungan perusahaan di Amerika Serikat," menurut temuan tersebut.
Panel B: Penelitian masa lalu terkait tata kelola perusahaan dan pengungkapan lingkungan pada negara berkembang			
Fernandes dkk. (2018)	Menyelidiki kaitan *boards directors* dan pengungkapan lingkungan oleh perusahaan	152 perusahaan Brazil	Temuan menunjukkan bahwa peningkatan praktik pengungkapan lingkungan perusahaan di Brasil dapat dibantu oleh independensi *boards*.
Trireksani dan Djajadikerta (2016)	Memeriksa hubungan ukuran *board* dan CED	Perusahaan Indonesia (2012)	Data menunjukkan bahwa di Indonesia, ukuran *board of directors* dan pengungkapan lingkungan perusahaan memiliki hubungan yang positif.
Akbas (2016a)	Menguji keterkaitan struktur *boards* dan CED	62 perusahaan Turki (2011)	Variabel ukuran *boards* terkait dengan pengungkapan lingkungan perusahaan di Turki, sementara independensi *boards*, keragaman gender, dan independensi komite audit tidak.
Ezhilarasi dan Kabra (2017)	Meneliti hubungan antara tata kelola perusahaan di India dan pengungkapan lingkungan	177 India (2009–2010 dan 2014–2015)	Ukuran *boards* positif, pengungkapan lingkungan perusahaan memiliki hubungan positif dengan institusi asing dan kepemilikan.

Indikator tata kelola negara jarang digunakan untuk menjelaskan pengungkapan lingkungan (Baldini dkk., 2018), tetapi penelitian serupa tentang pengungkapan lainnya dan aspek lain dari perilaku perusahaan telah dilaksanakan, lihat **Tabel 2**. Penerapan tata kelola negara dalam tiga penelitian pengungkapan perusahaan, yang terlaksana pada negara *developed* dan *less developed*, dirangkum dalam Panel A, sementara pada Panel B merupakan kumpulan penelitian yang melihat bagaimana tata kelola negara mempengaruhi berbagai jenis perilaku bisnis.

Penelitian-penelitian yang lebih baru mulai melihat bagaimana mekanisme tata kelola perusahaan berinteraksi dengan lingkungan hukum perusahaan. Pada kolom 'Temuan' **Tabel 2** mengungkapkan bahwa indikator tata kelola negara berkontribusi dalam membantu dalam memahami suatu fenomena perilaku bisnis – khususnya di Panel A. Indikator pada tata kelola negara, menurut penelitian, dapat membantu menjelaskan pengungkapan lingkungan perusahaan di negara-negara tata kelola negara. Namun, pada penelitian ini ingin menunjukkan – dengan mempertimbangkan argumen Baldini dkk. (2018) – bahwa arah hubungan antara tata kelola negara dan pengungkapan lingkungan perusahaan dapat bervariasi. Selain itu, berdasarkan penelitian sebelumnya, terdapat perbedaan tertentu dalam bukti empiris sehubungan dengan indikator yang digunakan. Enam indikator tersebut di antaranya: *regulatory quality (RQ), political stability (*PS), *government effectiveness (GE), the rule of law (RL), voice* dan *accountability (*VA*)* dan terakhir *control of corruption (CC)* (lihat **Tabel 2**). Sehingga, dari pertimbangan hasil penelitian sebelumnya, diputuskan untuk mengadopsi indikator VA, GE, RL dan CC. Dikarenakan berdasarkan, Lensink dkk. (2008), Ernstberger & Grüning (2013) dan Elamer dkk. (2019) dari penggunaan enam indikator tersebut, empat indikator tersebut dianggap relevan terhadap pengungkapan perusahaan.

Para peneliti ini melihat sampel perusahaan dari pasar negara berkembang dan menyimpulkan bahwa, dalam hal menurunkan biaya ekuitas, tata kelola perusahaan tingkat perusahaan dan perlindungan pemegang saham tingkat negara cenderung bersifat substitusi. Claessens & Yurtoglu (2013) melihat bagaimana struktur tata kelola tingkat perusahaan dan tingkat negara berinteraksi untuk mempengaruhi kinerja perusahaan. Mereka menemukan bahwa dalam tata kelola negara yang ketat, perusahaan dengan standar tata kelola perusahaan yang baik akan lebih berisiko menghadapi pengurangan nilai perusahaan dibandingkan dengan perusahaan serupa di tata kelola negara yang lebih fleksibel. Selanjutnya, tata kelola negara yang lebih kuat tidak berpengaruh pada pengurangan penilaian yang diterapkan pada perusahaan dengan mekanisme tata kelola yang lemah. Penelitian akan memberi bukti empiris terkait hubungan mekanisme tata kelola perusahaan dan tata kelola negara yang saling substitusi/menggantikan ataupun komplementer. Hal ini karena tidak ada penelitian sebelumnya, yang meneliti bagaimana tata kelola perusahaan dan lingkungan hukum dapat bergabung untuk mempengaruhi pengungkapan perusahaan. Sehingga penelitian mencoba mengisi kesenjangan ini dengan melihat efek interaksi potensial yang berkaitan dengan pengungkapan sebagai variabel hasil di tingkat perusahaan dan negara.

Tabel 2. Penelitian Terkait Pengukuran Tata Kelola Negara

Peneliti	Tujuan	Konteks (Periode)	Indikator	Temuan
Panel A: Penelitian terkait pengungkapan perusahaan				
Baldini dkk. (2018)	Menggunakan pendekatan multi-teori, menyelidiki pendorong pengungkapan lingkungan, sosial, dan tata kelola perusahaan di tingkat perusahaan dan negara.	Sampel lintas negara dari 14.174 pengamatan tahun perusahaan selama 2005–2012	ROL, CC	Temuan menunjukkan bahwa indikator tata kelola negara memiliki dampak yang beragam pada pengungkapan *ESG*, menunjukkan bahwa indikator dapat mendorong maupun menghambat pengungkapan *ESG*.
Elamer dkk. (2020)	Tata kelola negara diselidiki untuk melihat apakah itu dapat mengurangi hubungan antara kualitas tata kelola Islam dan pengungkapan manajemen risiko.	Bank syariah dari 10 negara Timur Tengah dan Afrika Utara (MENA) dari tahun 2006 hingga 2013	VA, PS, GE, RQ, ROL, CC	Tata kelola negara tampaknya memiliki dampak kecil pada hubungan antara kualitas tata kelola Islam dan pengungkapan manajemen risiko, menurut temuan tersebut.
Blanc dkk. (2017)	Hubungan antara paparan korupsi perusahaan di	Perusahaan yang berkantor pusat di	VA, CC	Menurut data, adanya terpaan media memiliki pengaruh terhadap

Peneliti	Tujuan	Konteks (Periode)	Indikator	Temuan
	media dan pengungkapan anti korupsi perusahaan diselidiki dalam artikel ini.	23 negara berbeda dengan perwakilan tertinggi berasal dari AS (39 perusahaan)		disparitas pengungkapan terkait antikorupsi perusahaan.
Panel B: Penelitian terkait dengan tata kelola negara dengan topik lainnya				
Enikolopov dkk. (2014)	Selama krisis, tata kelola negara dan *firm-level* dapat saling melengkapi, seperti yang ditunjukkan oleh penelitian ini.	843 perusahaan dari 38 negara dari OSIRIS Industrial Database (tidak termasuk perusahaan keuangan)	GE, ROL	Data tersebut menyiratkan bahwa selama krisis keuangan 2007-2009, penurunan nilai perusahaan lebih terkait erat dengan pengungkapan tingkat perusahaan di negara bagian dengan tata kelola negara yang lebih tinggi.
Lensink dkk. (2008)	Menyelidiki apakah efisiensi bank asing tergantung pada kualitas tata kelola negara dan variasi institusional antara tuan rumah dan negara asal.	2095 bank komersial di 105 negara selama tahun 1998–2003	VA, PS, GE, RQ, CC	Kepemilikan asing berdampak negatif pada efisiensi bank, menurut data. Namun, dampak merugikan ini kurang terlihat di negara-negara dengan kualitas tata kelola negara yang tinggi.
Van Essen dkk. (2013)	Menyelidiki dampak tata kelola tingkat perusahaan dan tata kelola negara pada kinerja bisnis sebelum dan selama krisis keuangan diselidiki	Sampel dari 1.197 perusahaan di 26 negara Eropa	ROL, CC	Temuan menunjukkan bahwa kualitas tata kelola negara secara keseluruhan berhubungan baik dengan kesuksesan perusahaan selama krisis keuangan.
Ioannou dan Serafeim (2012b)	Memeriksa dampak tata kelola negara pada kinerja sosial perusahaan	Sampel perusahaan dari 42 negara mulai dari 2002–2008	PS, ROL, CC	Temuan menunjukkan bahwa kinerja sosial perusahaan dipengaruhi oleh sistem politik, termasuk PS, ROL, dan CC.

1.3.3 Kesenjangan Penelitian Terdahulu

Penelitian ini mengidentifikasi beberapa kesenjangan dalam penelitian sebelumnya dan mencoba untuk mengisi kesenjangan tersebut. Pertama, meskipun beberapa penelitian-penelitian yang ada telah menyelidiki dampak tata kelola perusahaan pada pengungkapan lingkungan, terutama di negara *developed*, misalnya Amerika Serikat (Giannarakis dkk., 2019b), Inggris (Jizi, 2017b), Italia (D'Amico dkk., 2016b) dan Australia (Rao dkk., 2012b) kekuatan struktur tata kelola perusahaan yang berbeda pada pengungkapan lingkungan belum diteliti secara ekstensif, terutama di negara berkembang (Paule-Vianez dkk., 2019). Di mana terdapat perbedaan latar belakang kelembagaan di negara maju dan berkembang (Kiliç dkk., 2015). Menurut Giannarakis dkk. (2019b), hubungan antara tata kelola perusahaan dan pengungkapan lingkungan bergantung pada konteks, dengan lingkungan peraturan memainkan peran utama. Sejalan dengan hal tersebut, temuan-temuan empiris menemukan hubungan tata kelola perusahaan dan pengungkapan lingkungan sebagian besar dipengaruhi oleh perbedaan dalam lingkungan peraturan dan tata kelola di antara negara-negara. Regulator (Shi dkk., 2012), pemegang saham (Thorne dkk., 2014), kreditur (Adams dkk., 1998), dan media (Deegan dkk., 2002) adalah salah satu pemangku kepentingan utama dalam mempengaruhi pengungkapan CSR di negara-negara maju (Thorne dkk., 2014). Sementara itu, pengaruh eksternal seperti pembeli internasional (Belal & Owen, 2007), investor asing (Chiu & Wang, 2015), perhatian media internasional (Islam, 2009), dan badan pengatur internasional seperti Bank Dunia berdampak pada *disclosure* di negara-negara berkembang (Rahaman dkk., 2004). Dengan demikian, penelitian ini menanggapi permintaan bantuan sebelumnya dalam menilai keberhasilan implementasi tata kelola perusahaan negara berkembang dan memajukan operasi pengungkapan lingkungan yang berfungsi dengan baik (Albitar, Gerged, dkk., 2020).

Kedua, sifat pengungkapan lingkungan *(CED)* (Fifka, 2013), dampak terkaitnya (Albitar, Gerged, dkk., 2020; Barbu dkk., 2014; Gerged, 2021b) dan pendorong atau pendahulunya semuanya telah dipelajari secara mendalam (Albitar, Gerged, dkk., 2020; Brooks & Oikonomou, 2018). Penelitian tata kelola perusahaan dan pengungkapan lingkungan sebelumnya di negara berkembang (Ezhilarasi & Kabra, 2017; Paule-Vianez dkk., 2019) terbatas karena dalam ruang lingkung karena hanya melihat efek fitur *boards* pada pengungkapan lingkungan (misalnya, ukuran dewan, independensi, dan keragaman), fondasi mikro pengungkapan lingkungan (Kumar & Shetty, 2018), terutama jika mereka adalah penelitian satu negara (Dalla Via & Perego, 2018). Pengungkapan lingkungan, di sisi lain, tidak hanya berubah dari waktu ke waktu, tetapi juga sangat berbeda/bervariasi antar negara.

Ketiga, akan dilihat bagaimana sistem tata kelola di tingkat perusahaan dan negara dalam mempengaruhi tingkat pengungkapan lingkungan perusahaan. Mekanisme tata kelola perusahaan, seperti *disclosure*, dibuat dalam rangka mengurangi asimetri informasi antara manajer dan *stakeholder*. Beberapa negara telah menetapkan langkah-langkah peraturan tambahan dalam beberapa tahun terakhir untuk mempromosikan perlindungan investor dan efisiensi pasar modal. Namun, belum jelas bagaimana undang-undang tata kelola tingkat negara berinteraksi dengan proses tata kelola perusahaan tingkat perusahaan untuk mempengaruhi tingkat pengungkapan lingkungan. Efek peningkatan transparansi tata kelola perusahaan yang kuat dapat didukung oleh kerangka hukum negara yang kuat, yang menyiratkan bahwa sistem tata kelola di tingkat perusahaan dan negara memiliki efek komplementer pada pengungkapan lingkungan perusahaan. Namun, dalam tata kelola hukum negara yang buruk, mekanisme tata kelola perusahaan dapat bertindak sebagai mekanisme yang bersifat mengikat atau "*bonding*". Perusahaan mungkin akan lebih berkomitmen untuk memiliki tata kelola perusahaan yang lebih baik dalam kondisi tersebut (negara yang memiliki tata kelola lemah), sebagai *signalling* yang kuat bahwa perusahaan memiliki transparansi yang lebih baik dibandingkan apabila perusahaan berada di lingkungan negara dengan tata kelola kuat. Situasi ini menunjukkan bahwa struktur tata kelola tingkat perusahaan dan tingkat negara saling menggantikan (substitusi). Akan diselidiki apakah pengaruh pengaturan tata kelola perusahaan berubah dengan lingkungan hukum, dan apakah variasi yang diamati menunjukkan hubungan komplementer atau substitusi antara pengaturan tata kelola perusahaan dan lingkungan hukum dalam penelitian ini.

1.3.4 Teori Agensi

Teori keagenan diciptakan untuk mengatasi hubungan yang saling bertentangan antara manajer dan pemilik di perusahaan besar (Jensen & Meckling, 1976). Pemegang saham (prinsipal) memberikan wewenang terhadap manajemen (selaku *agent*) dalam melakukan pekerjaan, menurut teori keagenan (Jensen, 1996). Inti dari teori keagenan terdiri dari konsep oportunisme, asimetri informasi, dan potensi konflik kepentingan antara manajer yang berbeda dengan pemegang saham. Dalam penelitian ini, digunakan pendekatan berbasis teori keagenan untuk tata kelola perusahaan. Meskipun menurut teori agensi yang terkait dengan tata kelola perusahaan bertujuan untuk membangun hubungan universal antara praktik tata kelola perusahaan dan variabel hasil, terlepas dari konteks organisasi, tata kelola perusahaan memiliki dampak yang berbeda-beda di lingkungan (tata kelola negara*)* tertentu (W. R. Scott, 1987).

Menurut teori ini, tata kelola perusahaan dan pengungkapan perusahaan memiliki keterkaitan yang erat. Karena, adanya penerapan mekanisme pengendalian internal akan meningkatkan proses pemantauan dari strategi dalam pengungkapan manajer dan mengurangi kemungkinan untuk menyembunyikan informasi, atau dapat dikatakan bahwa struktur tata kelola perusahaan yang kuat dapat memberi motivasi manajer dalam mengungkapkan lebih banyak informasi. Selanjutnya, Nagar dkk. (2003) menyatakan bahwa jenis informasi tambahan tertentu ("kabar baik") akan meningkatkan nilai perusahaan, dan bahwa sistem tata kelola kelembagaan kompensasi berbasis saham dapat mendorong keterbukaan informasi, serta sistem kontrol yang efektif (seperti adanya dewan yang independen) dapat membantu manajer dalam melakukan pengungkapan informasi secara kredibel. Hasil akan berbeda, apabila tidak ada mekanisme tata kelola yang baik. Di mana akibatnya, manajer dapat dengan mudah dan cepat memutuskan untuk melakukan pengungkapan yang rendah, menunda atau bahkan tidak melakukan pengungkapan, dalam rangka memenuhi tujuan jangka pendek yang mengorbankan nilai dalam jangka panjang. Secara keseluruhan, pertimbangan ini menunjukkan bahwa mekanisme tata kelola perusahaan yang lebih baik/ketat dapat mendorong pengungkapan perusahaan lebih banyak.

Berbeda dengan gagasan sebelumnya, struktur tata kelola perusahaan yang kaku dapat mendorong penyembunyian informasi. Mekanisme tata kelola perusahaan yang komprehensif dapat menekan perilaku oportunistis dan penyembunyian informasi (Kelton & Yang, 2008), yang dapat muncul ketika manajer dan kepentingan publik memiliki konflik kepentingan. Misalnya, jika terdapat kebocoran informasi yang menunjukkan kinerja manajemen yang buruk atau penyalahgunaan sumber daya perusahaan untuk keuntungan pribadi, konflik kepentingan akan muncul (Verrecchia, 2001). Selain itu, informasi tertentu ("berita buruk") dapat berupa hasil kinerja perusahaan yang bisa dikaitkan dengan kompensasi terlalu besar atau jika kompensasi hanya bergantung pada pemenuhan tujuan jangka pendek. Manajemen dan *boards* mungkin akan mencoba untuk menghindari adanya biaya karena pengungkapan, yang sebagian besar merupakan biaya strategis dan hukum tidak langsung (Dahya dkk., 2008). Berdasarkan pertimbangan di atas dan sebagian besar penelitian sebelumnya, dipercaya jika tata kelola perusahaan akan memiliki dampak yang menguntungkan pada pengungkapan dalam jangka panjang.

Selain tata kelola perusahaan, variabel negara (seperti kerangka peraturan atau kelembagaan) mempengaruhi tingkat pengungkapan perusahaan. Transparansi yang lebih besar sering dituntut pada negara yang memiliki sistem hukum lebih kokoh, karena lingkungan hukum yang kuat akan membatasi pihak-pihak tertentu dalam melakukan *expropriation*, sehingga mengurangi motivasi mereka untuk menyembunyikan informasi dari pemangku kepentingan perusahaan (Leuz dkk., 2003). Namun, masih belum jelas apakah lingkungan peraturan (tata kelola negara) mempengaruhi strategi perusahaan (tata kelola perusahaan) dalam melakukan pengungkapan lingkungan. Sehingga untuk menjawab pertanyaan ini, penelitian memperluas pandangan berbasis teori keagenan dengan mengevaluasi apakah dampak tata kelola perusahaan akan berbeda pada tata kelola negara yang lemah dan kuat atau tetap konsisten.

1.3.5 Tata Kelola Perusahaan dan Pengungkapan Lingkungan

Literatur sebelumnya, terutama pada negara maju, memberikan bukti apabila perusahaan dengan tata kelola pada tingkat perusahaan yang tepat dapat membantu meningkatkan kelancaran transmisi informasi di lingkungan perusahaan (Ezhilarasi & Kabra, 2017; Paule-

Vianez dkk., 2019). Karakteristik dewan yang spesifik terkait dengan struktur tata kelola perusahaan memainkan peran lebih aktif dalam memantau perilaku manajer dan menyelaraskan kepentingan mereka dengan kepentingan pemilik saat melaporkan kinerja lingkungan (D'Amico dkk., 2016b). Penelitian ini akan melihat efek dari dua jenis struktur tata kelola perusahaan pada praktik pengungkapan lingkungan di negara berkembang: struktur dewan dan kepemilikan. Dari paparan tersebut, penelitian ini mengajukan hipotesis:

Ha1: Tata kelola perusahaan dan pengungkapan lingkungan berhubungan secara positif

1.3.6 Tata Kelola Negara dan Pengungkapan Lingkungan

Struktur tata kelola negara memiliki batasan formal (misalnya, undang-undang, prosedur dan peraturan ekonomi dan politik, dan pembatasan lain pada perilaku perusahaan) serta aturan informal (misalnya, norma sosial tidak tertulis, kode etik dan nilai, serta adat istiadat) sesuai dengan teori kelembagaan (D. Kaufmann dkk., 2011b). Tata kelola negara yang kuat dapat menetapkan pengaturan di mana perusahaan mungkin terlibat dalam teknik akuntabilitas seperti pengungkapan lingkungan, baik untuk tujuan koersif, normatif, atau mimesis (Alshbili dkk., 2019). Baatour dkk. (2017) mengkonfirmasi klaim ini dengan menyatakan bahwa perusahaan yang beroperasi di negara-negara dengan indikator tata kelola negara yang kuat di seluruh Eropa cenderung memiliki kualitas pengungkapan risiko sukarela yang lebih baik. Akibatnya, hipotesis utama penelitian ini adalah bahwa tata kelola negara memiliki hubungan yang baik dengan pengungkapan lingkungan yang dilakukan perusahaan. Negara dengan lingkungan hukum yang lebih kuat umumnya menuntut transparansi yang lebih tinggi dikarenakan lingkungan hukum yang lebih kuat membatasi kemampuan suatu pihak dalam untuk memperoleh keuntungan kontrol, sehingga dapat mengurangi insentif orang dalam untuk menyembunyikan informasi dari pemangku kepentingan perusahaan (Leuz dkk., 2003). Sehingga didapatkan kesimpulan berupa hipotesis:

Ha2: Tata kelola negara dan pengungkapan lingkungan berhubungan secara positif.

1.3.7 Tata Kelola Perusahaan, Tata Kelola Negara dan Pengungkapan Lingkungan

Lingkungan legislatif atau institusional dapat mempengaruhi peran pengungkapan lingkungan dan tata kelola perusahaan melalui dua cara. Pertama, lingkungan hukum yang lebih ketat dapat memperkuat pengaruh beberapa alat tata kelola perusahaan. Manajer lebih cenderung menyembunyikan informasi jika institusi yang mendasarinya (seperti sistem hukum yang kuat) tidak tersedia untuk mendukung sistem tata kelola perusahaan yang diberlakukan. Sehubungan dengan efek faktor-faktor ini pada pengungkapan perusahaan, argumen menunjukkan hubungan yang saling komplementer antara tata kelola perusahaan dan tata kelola negara.

Kedua, beberapa mekanisme tata kelola perusahaan tertentu tidak dilindungi oleh hukum (Chen dkk., 2009). Contohnya, dalam lingkungan hukum yang buruk, hilangnya kontrol di antara pemegang saham minoritas dapat menaikkan nilai fungsi tata kelola perusahaan dengan cara memberikan dorongan kepada manajer untuk melakukan *disclosure* lebih banyak dan lebih baik (Bennedsen & Wolfenzon, 2000). Karena investor dalam tata kelola negara yang buruk tidak bisa mengandalkan peraturan yang ada untuk menghilangkan konflik keagenan, peranan efektivitas tata kelola perusahaan dalam mendorong pengungkapan perusahaan akan lebih besar. Selanjutnya, sistem tata kelola perusahaan memainkan peran "*bonding*" yang lebih besar dalam konteks tata kelola negara yang lemah daripada tata kelola negara yang kuat, menurut "hipotesis *bonding*" (Coffee Jr, 2002a). Karena biaya agensi menjadi signifikan dalam konteks tata kelola negara yang lebih lemah, tata kelola perusahaan yang lebih banyak akan diperlukan untuk menghindari asimetri informasi dan mempertahankan diri dari adanya *takeover*. Karena mekanisme perlindungan investor tingkat negara sudah ada, permintaan terkait biaya agensi ini untuk tata kelola negara yang dinilai lebih baik diperkirakan lebih rendah di negara di mana tata kelola negara-nya lebih kuat (Choi & Wong, 2007a).

Pertimbangan ini menunjukkan bahwa tata kelola perusahaan dan lingkungan peraturan memiliki hubungan substitusi dalam hal pengaruhnya terhadap pengungkapan lingkungan. Hipotesis ini disajikan untuk melihat apakah hubungan antara tata kelola perusahaan dan pengungkapan berubah tergantung pada konteks hukum/lingkungan hukum yang berbeda. Penerimaan hipotesis ini, serta penemuan efek pengungkapan lingkungan dan tata kelola perusahaan yang lebih lemah dalam tata kelola negara yang kuat, akan mendukung pandangan organisasi tentang tata kelola perusahaan, yang menyiratkan munculnya hubungan substitusi antara tingkat perusahaan dan tata kelola negara dalam hal mempengaruhi pengungkapan. Karena terdapat dua pandangan yang berbeda terkait pengaruh tata kelola negara, maka hipotesis berikut dibuat:

Ha3: Kekuatan lingkungan hukum (tata kelola negara) mempengaruhi hubungan antara tata kelola perusahaan dan pengungkapan lingkungan.

2. METODOLOGI DAN ANALISIS DATA

2.1 Gambaran Umum Objek Penelitian

Sampel merupakan perusahaan yang tersebar di 10 negara ASEAN (109 sampel Perusahaan, yang tersebar pada Negara Filipina, Indonesia, Malaysia, Brunei Darussalam, Kamboja, Thailand, Laos, Singapura, Myanmar, terakhir Vietnam) selama periode tahun 2012–2020.

2.2 Metode Penelitian

Kerangka penelitian untuk menjawab tujuan penelitian dapat dilihat dari Error! Reference source not found.. Kerangka penelitian menunjukkan bagaimana tata kelola perusahaan dan tata kelola negara mempengaruhi tingkat pengungkapan lingkungan. Studi merupakan penelitian dengan pendekatan kuantitatif dengan menggunakan beberapa langkah berikut:

1. Pertama, untuk menjawab hipotesis 1, penelitian akan menggunakan model regresi panel data untuk menyelidiki hubungan tata kelola perusahaan dan pengungkapan lingkungan.
2. Kedua, untuk menjawab hipotesis 2, penelitian akan menggunakan model regresi panel data untuk menyelidiki pengaruh tata kelola negara dan pengungkapan lingkungan.
3. Terakhir untuk menjawab hipotesis 2, penelitian akan menggunakan model regresi panel data untuk menginteraksikan variabel tata kelola negara sebagai moderasi terhadap hubungan tata kelola perusahaan dan pengungkapan lingkungan.

Fixed-effects model digunakan untuk melakukan analisis regresi utama dalam studi. Menurut Gujarati (2003) dan Wooldridge (2010), *omitted variable bias* dapat dihilangkan *fixed effects models* dengan melakukan pengukuran perubahan dalam kelompok sepanjang waktu, yang umumnya dilakukan dengan memasukkan variabel *dummy* untuk karakteristik yang hilang atau tidak diketahui. Dengan menggunakan *fixed-effects estimation* dapat menangani masalah statistik spesifik yang mungkin tidak ditangani dengan menggunakan *ordinary least squares (OLS)*. Misalnya, dalam studi Glass, Cook, & Ingersoll (2016) dan Ntim & Soobaroyen (2013), penggunaan model *fixed-effects* dapat mengendalikan untuk *firm-specific heterogeneities* yang tidak dapat diamati di seluruh negara dari waktu ke waktu yang dapat memengaruhi hubungan antara variabel hasil dan prediktor yang tidak dapat di atas oleh pendekatan *standard OLS* *estimation* (Gujarati & Porter, 2003; Wooldridge, 2010). Adapun kesesuaian pelaksanaan *fixed-effects model* telah ditentukan dengan menjalankan uji *Chow*, *Hausman* dan *Lagrange Multiplier*, yang menggambarkan apabila variabel spesifik yang ada di perusahaan tidak dapat diamati secara tidak signifikan terkait dengan variabel perusahaan lain di lima negara ASEAN. Terakhir, *two-tailed test* digunakan dalam pengambilan keputusan hasil penelitian.

2.3 Penelitian

2.3.1 Variabel Dependen

Dalam penelitian ini hanya terdapat satu variabel dependen yaitu kinerja ENVSCORE. Adapun desain penelitian untuk menjawab hipotesis dilakukan dengan beberapa langkah. Pertama, dari 2012 hingga 2020, pengungkapan lingkungan ($ENVSCORE_{ij}$) dihitung dengan transformasi peringkat persentil dari skor pengungkapan ENV yang disediakan oleh Reuters. Penelitian mengumpulkan data tentang praktik pengungkapan lingkungan sampel menggunakan *cross-sectional analysis.* Studi menggunakan skor numerik untuk tahun 2012-2020 dari Thomson Reuters Eikon, terutama aspek lingkungan dan tata kelola perusahaan. Skor *ESG* Thomson Reuters digunakan karena informasi yang digunakan untuk menghitungnya berasal langsung dari perusahaan. Ini berarti bahwa skor ini sangat andal dan unik. Skor pengungkapan dari *ESG* juga digunakan dalam studi sebelumnya untuk mengukur seberapa baik kinerja perusahaan (Duque-Grisales & Aguilera-Caracuel, 2021; Yoon dkk., 2018)), meskipun data tersebut berasal dari sumber yang berbeda-beda. Untuk membuat peringkat, data *ESG* Refinitiv melalui proses yang panjang, dimulai dengan mengumpulkan dan melakukan standardisasi berbagai sumber yang tersedia bagi publik dengan hati-hati seperti melalui data non-keuangan, laporan tahunan, situs web NGO, dan laporan CSR Perusahaan. Dengan cara ini, diharapkan penggunaan skor ini dapat menghindari bias yang datang dari hanya menggunakan informasi yang dilaporkan sendiri.

Tabel 3 menunjukkan tingkat CED pada skala negara tunggal. Hal ini menunjukkan bahwa CED semakin meningkat selama masa penelitian. Misalnya, CED di Indonesia telah tumbuh dari 3,12% pada tahun 2012 menjadi 5,99% pada tahun 2020. Demikian pula, di Malaysia, Filipina dan Vietnam, pengungkapan informasi lingkungan telah mengalami peningkatan 2,11%, 2,1% dan 0,19% masing-masing di antara perusahaan yang terdaftar selama periode 2012-2020. Adapun peningkatan secara tajam terjadi pada negara Singapura dan Thailand dengan angka 7,26% dan 9,4%

Tabel 3. Pengungkapan Lingkungan 981 Perusahaan-Tahun per Negara

Negara	2020	2019	2018	2017	2016	2015	2014	2013	2012
Brunei Darussalam	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Kambodia	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Indonesia	5.99%	5.62%	5.24%	4.99%	4.74%	4.37%	4.12%	3.50%	3.12%
Laos	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Malaysia	6.16%	5.80%	5.34%	5.15%	4.88%	4.69%	4.51%	4.32%	4.05%
Myanmar (Burma)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Filipina	9.12%	9.12%	8.77%	8.77%	8.77%	8.42%	7.72%	7.02%	7.02%
Singapura	12.38%	7.54%	5.97%	5.55%	5.41%	5.12%	5.12%	5.12%	5.12%
Thailand	11.58%	5.62%	4.47%	4.13%	3.90%	3.56%	3.10%	2.75%	2.18%
Timor-Leste	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Vietnam	0.19%	0.06%	0.06%	0.06%	0.00%	0.00%	0.00%	0.00%	0.00%

Sumber: data diolah

2.3.2 Variabel Independen

1. **Tata Kelola Perusahaan**

Kedua, struktur tata kelola perusahaan ($FGOV_{ij}$) diukur dengan menggunakan skor indeks (*Diversity, Strategy, Independence, Expertise, Effectiveness, Transparency, Staff Turnover, Incentives* perusahaan) Eikon dari 2012 hingga 2020. Peringkat *Thomson Reuters Eikon* dibuat untuk mengukur pengungkapan perusahaan, salah satunya tata kelola perusahaan dengan jelas dan objektif (lihat **Tabel 4**). Sebanyak 125 *content analysts* dilatih untuk mengumpulkan data dan menggunakan pengetahuan industri mereka untuk memastikan bahwa informasi tersebut relevan, dapat dibandingkan (laporan perusahaan dalam unit, cakupan, dan format yang berbeda), dan terkini (Refinitiv, 2021). Skor berkisar dari 0 hingga 100 persen dan didasarkan pada informasi tentang tata kelola perusahaan. Proksi *management score* dipilih sebagai skor tata kelola perusahaan karena dapat menggambarkan bagaimana perusahaan menjalankan sistem dan prosesnya, sehingga anggota *board* dan eksekutifnya bertindak demi kepentingan jangka panjang para pemegang sahamnya (Dwekat dkk., 2020). Ini menunjukkan bagaimana sebuah perusahaan dapat menggunakan metode dan teknik baru untuk mengontrol dan mengarahkan hak dan tanggung jawabnya melalui insentif dan *checks* and *balances* untuk membuat nilai *long-term shareholder*.

Tabel 4. Komposisi Skor *Governance Pillar* Thomson Reuters Eikon

Kategori	Sub-kategori
FIRM GOVERNANCE SCORE	
Management Score	*Diversity, Strategy, Independence, Expertise, Effectiveness, Transparency, Staff Turnover, Incentives*

2. **Tata Kelola Negara**

Ketiga, untuk mengukur Tata Kelola Negara ($CGOV_j$), dihitung melalui rerata skor keseluruhan dari *World Governance Index (WGI)* yang dibuat oleh Bank Dunia (2020a) atas skor VA (Suara tingkat negara dan skor akuntabilitas), GE (Skor efektivitas pemerintah tingkat negara), RL (Skor aturan hukum tingkat negaradan CC (Skor kontrol korupsi tingkat negara) untuk 10 negara ASEAN yang teliti. WGI dapat digunakan sebagai proksi tata kelola pemerintahan di tingkat negara karena menyediakan proses yang komprehensif dan kompleks untuk mengukur kualitas tata kelola berdasarkan enam dimensi. WGI telah digunakan dalam berbagai penelitian untuk menyelidiki hubungan tata kelola tingkat negara dengan faktor-faktor lainnya (Kühnel dkk., 2023; Sadaf dkk., 2018; Tabash dkk., 2023). **Tabel 5** menunjukkan data tahun 2012-2020, yang menunjukkan, meskipun negara memiliki banyak kesamaan, ada perbedaan besar pada empat pengukuran, lebih spesifik, perbedaan ini tidak selalu dengan pola yang sama. Mengenai variabel CLG, rata-rata VA terlihat lebih besar di Timor-Leste dengan 55,3. Namun, yang terkecil ada di Laos dengan 4,14. Rata-rata, GE tertinggi di Singapura dengan 99.89, tetapi terendah di Myanmar dengan 10.67. Dalam hal VA, Laos jauh di belakang negara lain. Namun di sisi lain, ia berhasil mengungguli Myanmar (memiliki skor VA lebih baik) di GE. Seiring berjalannya waktu, rangking Laos menjadi lebih buruk pada GE dan CC. Sementara Singapura adalah negara dengan rangking terbaik pada kedua aspek tersebut. Kualitas CLG tidak banyak berubah selama bertahun-tahun dari 2012 hingga 2020. Selain itu untuk nilai RL tertinggi ditemukan pada negara Singapura dengan nilai 95.81 sementara terendah di Timor-Leste dengan 10.73. Terakhir, nilai rata-rata CC tertinggi di Singapura dengan 97.55, tetapi terendah di Kambodia dengan 10.75. Rangking CC selalu menurun di Myanmar, di mana hal ini merupakan yang terparah dibanding lainnya. Hal penting yang perlu dicatat adalah terdapat perbedaan antar negara dan juga perubahan di setiap negara dari waktu ke waktu, menunjukkan bahwa indikator tersebut diperkirakan dapat menjelaskan pengungkapan lingkungan.

Tabel 5. Ringkasan Statistik Indikator Skor Tata Kelola per Negara ASEAN

					Voice and accountability (VA)					
	2020	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**	**2012**	**Mean**
Brunei Darussalam	22.22	21.74	24.15	22.66	23.15	26.11	29.06	30.99	30.99	25.67
Cambodia	12.56	14.98	13.53	15.76	18.23	18.23	18.72	19.72	20.19	16.88
Indonesia	52.17	51.69	51.69	51.23	51.72	53.69	51.72	50.23	52.58	51.86
Laos	3.38	3.38	4.35	4.43	4.43	4.43	4.43	4.23	4.23	4.14
Malaysia	40.10	43.48	40.58	34.48	33.99	33.99	35.47	37.09	36.15	37.26
Myanmar	21.74	23.19	23.19	23.65	24.14	14.29	9.85	7.98	5.16	17.02
Philippines	41.06	45.41	47.34	48.77	51.23	51.23	52.71	48.83	47.89	48.27
Singapore	38.16	38.65	41.06	41.38	40.89	41.38	45.81	50.70	51.64	43.30
Thailand	26.09	23.67	19.81	21.18	21.67	22.17	23.15	34.27	36.62	25.40
Timor Leste	57.97	59.42	57.49	57.64	54.19	54.19	50.74	52.58	53.52	55.30
Vietnam	12.08	11.59	8.21	10.34	10.34	10.34	9.36	10.80	8.92	10.22
Mean	29.78	30.65	30.13	30.14	30.36	30.00	30.09	31.58	31.63	30.49
					Government effectiveness (GE)					
	2020	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**	**2012**	**Mean**
Brunei Darussalam	90.38	87.02	86.54	84.13	82.21	81.73	82.21	74.88	76.30	82.82
Cambodia	37.98	31.73	32.69	25.48	24.04	25.00	25.00	19.43	22.75	27.12
Indonesia	65.38	60.10	59.13	54.33	52.40	45.19	53.85	47.39	45.02	53.64
Laos	22.60	20.67	25.00	37.98	38.94	35.10	39.42	25.12	22.27	29.68
Malaysia	82.21	79.33	81.25	75.48	76.44	76.92	82.69	79.15	76.78	78.92
Myanmar	14.42	11.54	12.98	13.46	16.35	10.10	9.13	4.27	3.79	10.67
Philippines	56.25	54.81	55.29	51.44	51.92	57.21	61.06	59.72	59.24	56.33
Singapore	100.00	100.00	100.00	100.00	100.00	100.00	100.00	99.53	99.53	99.89
Thailand	63.46	66.35	66.83	67.31	66.35	65.87	65.87	62.09	61.14	65.03
Timor Leste	19.23	16.83	16.35	16.35	14.42	13.46	12.50	9.95	10.90	14.44
Vietnam	61.54	53.37	52.88	52.88	53.85	54.81	51.44	46.45	45.50	52.52
Mean	55.77	52.88	53.54	52.62	52.45	51.40	53.02	48.00	47.57	51.92
					Rule of Law (RL)					
	2020	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**	**2012**	**Mean**
Brunei Darussalam	80.29	74.04	74.52	75.00	71.63	66.83	69.23	68.08	73.24	72.54
Cambodia	17.79	17.79	11.06	13.46	12.98	14.90	15.87	15.49	16.90	15.14
Indonesia	41.83	42.31	42.79	40.87	40.38	39.42	42.79	37.09	34.27	40.19
Laos	20.67	17.31	18.75	17.79	20.67	23.56	25.48	24.41	22.07	21.19
Malaysia	73.08	73.08	74.04	69.23	69.23	69.23	73.56	63.38	64.79	69.96
Myanmar	10.58	12.98	15.87	16.35	17.79	7.69	8.17	9.86	6.10	11.71
Philippines	31.73	34.13	34.13	36.54	39.42	43.27	43.75	42.25	38.97	38.24
Singapore	98.56	97.60	97.60	96.63	96.15	94.23	93.27	94.37	93.90	95.81
Thailand	57.69	57.69	54.81	54.81	54.33	50.96	48.56	52.11	50.23	53.47
Timor Leste	11.06	12.02	10.10	10.10	10.10	11.06	10.58	10.80	10.80	10.73
Vietnam	48.56	53.37	54.33	56.25	56.73	43.75	41.83	39.91	35.21	47.77
Mean	44.71	44.76	44.36	44.27	44.49	42.26	43.01	41.61	40.59	43.34
					Control of corruption (CC)					
	2020	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**	**2012**	**Mean**
Brunei Darussalam	87.02	78.37	79.81	75.48	69.23	69.23	69.71	72.99	71.56	74.82
Cambodia	11.06	9.62	8.65	8.65	9.13	12.02	11.54	12.80	13.27	10.75
Indonesia	38.94	37.98	46.63	48.08	41.83	39.42	33.65	32.70	31.28	38.95

Laos	14.90	13.46	15.38	15.87	14.42	17.79	21.15	18.48	15.64	16.34
Malaysia	62.50	62.50	64.42	58.65	59.62	63.46	66.35	67.30	63.98	63.20
Myanmar	27.88	29.81	30.29	32.21	32.21	20.67	20.19	16.11	13.74	24.79
Philippines	34.13	31.25	34.13	39.42	36.06	39.90	40.38	43.60	35.07	37.11
Singapore	99.04	99.04	98.56	97.60	97.12	96.63	96.15	96.68	97.16	97.55
Thailand	38.46	38.46	40.87	42.79	42.31	37.02	38.94	45.97	44.08	40.99
Timor Leste	45.19	41.35	38.46	34.62	34.62	36.54	35.58	28.91	26.54	35.76
Vietnam	42.31	34.13	37.50	31.25	37.50	41.83	40.87	38.86	36.02	37.81
Mean	45.59	43.27	44.97	44.06	43.09	43.14	43.14	43.13	40.76	43.46

Catatan: skor ranking berdasarkan *range* nilai 0-100, dengan 100 nilai tertinggi (paling baik) dan 0 sebaliknya.

Sumber: World Governance Index (World Bank, 2020b) (telah diolah kembali)

2.3.2 Variabel Kontrol

Variabel kontrol dalam regresi didapatkan dari temuan penelitian sebelumnya, yang menunjukkan bahwa pengungkapan perusahaan dikaitkan dengan ukurannya (Chavent dkk., 2006), profitabilitas (Akhtaruddin, 2005), struktur pemegang saham (Chau & Gray, 2002) dan pendanaan (Francis dkk., 2005), serta struktur manajemen perusahaan (Gerged, 2021b). Ukuran perusahaan ($ASSET_{ij}$) diperoleh dengan menghitung log natural dari total aset. Profitabilitas (REV_{ij}) dihitung dengan log natural total penjualan dalam jutaan dolar perusahaan. *Return on assets* (ROA_{ij}) didefinisikan sebagai laba bersih per *total book value of assets*. Kepemilikan Perusahaan (OWN_{ij}) dihitung dengan Log natural saham yang dapat diperdagangkan yang tidak dimiliki oleh *stockholders*. *Leverage (*LEV_{ij}) dihitung dengan *Total utang akhir tahun per common equity book value*. Semua angka yang ditampilkan dibuat dalam dolar AS karena dolar adalah mata uang utama dunia. *Independent board (BIND)* dihitung dengan Jumlah anggota *independent board* Perusahaan. Ukuran *board* (BSIZE) dihitung dengan Jumlah anggota *board* Perusahaan. Dualitas (DUAL) dihitung dengan *dummy* variabel atas dualitas CEO dan *chairman*. Sementara variabel kontrol *country-specific* meliputi hukum atau aturan terkait CSR (Dhaliwal dkk., 2014) dan rata kapitalisasi pasar negara sebagai bagian dari *World Development Indicators* (La Porta dkk., 2008) selama periode penelitian. Semua angka yang ditampilkan dibuat dalam dolar AS karena dolar adalah mata uang utama dunia. Rangkuman penjelasan atas setiap variabel penelitian dapat dilihat pada

Tabel 6.

Tabel 6. Deskripsi Variabel Penelitian

Indikator	Deskripsi
Panel A (Variabel dependen): Pengungkapan Lingkungan Perusahaan	
$ENVSCORE_{ij}$	Skor pengungkapan lingkungan – adalah transformasi peringkat persentil dari skor pengungkapan ENV yang disediakan oleh Reuters
Panel B (Variabel independen): Pengukuran Tata Kelola Negara	
$CGOV_i$	Skor tata kelola lingkungan tingkat negara, diukur dengan rata-rata empat item pengungkapan berdasarkan *World Government Index* (WGI) di bawah
$CGVA_i$	Suara tingkat negara dan skor akuntabilitas berdasarkan WGI
$CGGE_i$	Skor efektivitas pemerintah tingkat negara berdasarkan WGI
$CGRL_i$	Skor aturan hukum tingkat negara berdasarkan WGI
$CGCC_i$	Skor kontrol korupsi tingkat negara berdasarkan WGI
Panel C (Variabel independen): Pengukuran Tata Kelola Perusahaan	
$FGOV_{ij}$	Skor gabungan dari *Diversity, Strategy, Independence, Expertise, Effectiveness, Transparency, Staff Turnover, Incentives* perusahaan yang disediakan oleh Refintiv
Panel C (Variabel kontrol)	
REV_{ij}	Log natural total penjualan dalam jutaan dolar perusahaan
$ASSET_{ij}$	Log natural total aset perusahaan

Indikator	Deskripsi
ROA_{ij}	*Return on assets* didefinisikan sebagai laba bersih per *total book value of assets*
OWN_{ij}	Log natural saham yang dapat diperdagangkan yang tidak dimiliki oleh *stockholders*
LEV_{ij}	*Total utang akhir tahun per common equity book value*
BIND	Jumlah anggota *independent board* perusahaan
BSIZE	Jumlah anggota *board* perusahaan
DUAL	*Dummy* variabel atas dualitas CEO dan *chairman*. 1 jika perusahaan mengalami masalah dualitas *CEO-Chairman*; 0 sebaliknya.

2.4 Teknik Pengumpulan Data

Data yang dipakai dalam penelitian adalah data sekunder. Data yang akan diolah dalam rangka memberi bukti empiris atas hipotesis berasal dari database Thomson Reuters Refinitiv Eikon.

2.5 Teknik Pengambilan Sampel

Sektor keuangan dikecualikan karena memiliki peraturan keuangan dan tata kelola yang lebih berat daripada sektor non-keuangan lainnya (Liu & Wang, 2015), sehingga untuk mencapai tujuan komparabilitas (Albitar, Hussainey, dkk., 2020b), sektor keuangan tidak dimasukkan. Penelitian akan melakukan pengujian regresi model ekonometri ini. Penelitian mengandalkan kumpulan data yang terdiri dari informasi dari banyak basis data. Variabel tingkat negara diambil dari skor *World Governance Index (WGI)*, sedangkan variabel tingkat perusahaan berasal dari Thomson Reuters Eikon. Terdapat 3 kriteria yang digunakan dalam pemilihan dapat dilihat pada **Tabel 7.**

Tabel 7. Kriteria Seleksi Sampel

No.	Keterangan
1	Perusahaan memiliki data tentang peringkat pengungkapan *ESG* melalui *ESG ratings* yang dapat diakses dan tersedia pada saat penelitian.
2	Memiliki data terkait semua variabel penelitian pada semua periode penelitian, termasuk variabel kontrol.
3	Perusahaan yang tersebar di 10 negara ASEAN

Sumber: data diolah

2.6 Teknik Analisis Data

Dalam menjawab tujuan penelitian, beberapa persamaan regresi dibuat untuk kemudian diuji menggunakan *software* statistika STATA 17. Studi membuat **Model 1** sebagai persamaan regresi yang hanya memasukkan variabel kontrol berdasarkan literatur sebelumnya yang telah diuji dan memiliki hubungan dengan *disclosure* perusahaan.

Model 1:

$$ENVSCORE_{ij} = \alpha + \text{Industry fixed effect} + \text{Control} + e.$$

Model 2:

$$ENVSCORE_{ij} = \alpha + \beta_1\, CGOV_i + \beta_2\, FGOV_{ij} + e.$$

Model 2 merupakan persamaan dengan memasukkan *interest variables* tanpa memasukkan variabel control.

Model 3:

$$ENVSCORE_{ij} = \alpha + \beta_1\ CGOV_i + \beta_2\ FGOV_{ij} + \text{Industry fixed effect} + \text{Control} + e.$$

Persamaan regresi diajukan pada penelitian ini untuk menjawab hipotesis (1) dan hipotesis (2) dengan **Model 3**, memasukkan variabel independen utama FGOV dan variabel kontrol terhadap ENV. Untuk melihat adanya pengaruh tata kelola pada Tingkat perusahaan dan pengaruhnya terhadap pengungkapan lingkungan

Model 4:

$$ENVSCORE_{ij} = \alpha + \beta_1\ CGOV_i + \beta_2\ FGOV_{ij} + \beta_3\ CGOV_i * FGOV_{ij} + e.$$

Model 4 berisi variabel FGOV yang diinteraksikan dengan CGOV, untuk melihat interaksi antara kedua *variable independents of interest* tanpa variabel kontrol.

Model 5:

$$ENVSCORE_{ij} = \alpha + \beta_1\ CGOV_i + \beta_2\ FGOV_{ij} + \beta_3\ CGOV_i * FGOV_{ij} + \text{Control} + e.$$

Terakhir, regresi **Model 5** memasukkan baik variabel interaksi, masing-masing FGOV, CGOV dan *variable controls* terhadap ENVSCORE, untuk menjawab hipotesis (3).

Di mana:

ENVSCORE	= Skor Pengungkapan Lingkungan
a	= Konstanta Regresi
β_1, β_2, β_3	= Koefisien Regresi
CGOV	= Skor Tata Kelola Negara
FGOV	= Skor Tata Kelola Perusahaan
Control	= Variabel Kontrol
e	= *Error*

Terdapat tiga indeks yang dilambangkan dengan “i”, “j”, dan “t” dalam persamaan di atas. Dalam model regresi panel, indeks ini mengacu pada tingkatan yang berbeda-beda. Unit perusahaan panel data diidentifikasi dengan indeks "i". Unit negara dalam data panel ditunjukkan dengan indeks "j". Terakhir, waktu atau periode pengamatan dilakukan digambarkan dengan indeks "t". Sehingga pada dasarnya studi ini memiliki tujuan untuk menganalisa bagaimana faktor-faktor seperti CGOV, FGOV, dan lainnya mempengaruhi ENVSCORE pada entitas “i” dan negara “j” selama berbagai periode waktu “t” pada data panel.

Hubungan antara tata kelola perusahaan dan tata kelola negara dalam mempengaruhi pengungkapan perusahaan diukur dengan koefisien regresi β_3. Koefisien regresi yang tidak signifikan menunjukkan bahwa dampak tata kelola yang ada di perusahaan pada pengungkapan tidak dipengaruhi oleh tata kelola negara, koefisien regresi positif yang signifikan menunjukkan bahwa kedua faktor ini memiliki efek komplementer, dan koefisien negatif yang signifikan menunjukkan bahwa mereka memiliki efek substitusi. Mengikuti Choi dan Wong (2007), akan diinteraksikan antara tata kelola negara dengan semua variabel kontrol selain variabel FGOV, karena pengaruh kontrol pada pengungkapan mungkin bergantung pada iklim hukum suatu negara. Selain variabel utama FGOV, juga akan berinteraksi dengan CGOV bersama semua variabel kontrol mengikuti Choi dan Wong (2007a) karena dampak kontrol pada pengungkapan mungkin bergantung pada lingkungan hukum suatu negara.

3. HASIL PENELITIAN DAN DISKUSI

3.1 Objek Penelitian

Pengamatan perusahaan-tahun dalam studi ini berjumlah 981 dengan sebelas industri yang berbeda (lihat **Tabel 8**). Di mana jumlah industri sektor keuangan (225) dan perusahaan industrial (162) merupakan industri dengan rasio jumlah perusahaan yang terbanyak dalam mengungkapkan pengungkapan lingkungan dengan proporsi 22,4% dan 16.51% masing-masing, dibandingkan total sampel. Hal ini sesuai dengan perkiraan, karena sektor keuangan merupakan sektor dengan pengawasan "*public scrunity"* lebih ketat dibandingkan dengan sektor lain, karena sebagai perantara modal, ia memiliki pengaruh besar terkait pemberian modal pada industri yang memiliki eksposur dan berhubungan langsung dengan lingkungan. Menyambung penjelasan sebelumnya, ini alasan mengapa sektor industrial tepat berada di bawah sektor keuangan dalam hal terkait pengungkapan lingkungan, tidak lain adalah karena sektor ini kegiatan operasionalnya mayoritas berhubungan dengan pengambilan atau pengolahan sumber daya yang ada di lingkungan, kalaupun tidak, kegiatan produksi mereka memiliki dampak yang dinilai negatif terhadap lingkungan. Sehingga menjadi hal yang wajar apabila sektor industrial memiliki perusahaan-perusahaan yang banyak melakukan pengungkapan lingkungan. Di sisi lain, industri informasi teknologi (9) merupakan industri dengan jumlah paling sedikit dalam sampel dengan proporsi 0.92%. Hal serupa ditemukan pada industri kesehatan (9) dengan proporsi sama dengan sebelumnya, 0.92%.

Tabel 8. Ringkasan Sektor Industri Observasi Penelitian 981 Perusahaan-Tahun

Industri	Frekuensi	Persentase (%)	Kumulatif
Jasa Komunikasi	117	11.93	11.93
Barang dan jasa konsumen non-esensial	63	6.42	18.35
Barang dan jasa konsumen esensial	108	11.01	29.36
Energi	81	8.26	37.61
Keuangan	225	22.94	60.55
Kesehatan	9	0.92	61.47
Industrial	162	16.51	77.98
Informasi Teknologi	9	0.92	78.90
Material	72	7.34	86.24
Perumahan	63	6.42	92.66
Utilitas	72	7.34	100.00
Total	981	100	

Sumber: data diolah

3.2 Statistik Deskriptif

Tabel 9 menunjukkan ringkasan statistik deskriptif variabel penelitian. Panel A dari **Tabel 9** menyajikan statistik deskriptif untuk ENV_SCORE. SD ENV_SCORE adalah 22,7, menunjukkan variasi yang signifikan dalam CED di antara sampel studi. Panel B dari **Tabel 9** menunjukkan statistik deskriptif dari tindakan tata kelola negara. Tabel menunjukkan bahwa variabel CLG memiliki variabilitas di seluruh negara sampel, dengan SD mulai dari 9,28 untuk VA, 17,23 untuk GE, 21,33 untuk CC hingga 12,53 untuk GE. Konsisten dengan proposisi plot histogram normal, statistik kemiringan variabel menunjukkan menyimpang dari tengah/simetris dengan ekor kiri yang lebih panjang dari umumnya. Ini berarti bahwa faktor-faktor CLG biasanya terdistribusi normal di antara negara-negara sampel penelitian.

Tabel 9. Ringkasan Statistik Deskriptif Variabel Penelitian

Variabel	Jumlah Obervasi	Rata-rata	SD	Minimum	Maksimum	Skewness	Kurtosis
PANEL A: Skor Pengungkapan Lingkungan							
ENVSCORE	981	3,595	0,737	0,174	4 ,546389	-1,573	6,603
PANEL B: Tata Kelola Tingkat Negara							
CGOV	981	80,277	19,413	53,591	114 ,7075	0,517	1,921
PANEL C: Tata Kelola Tingkat Perusahaan							
FGOV	981	56,412	27,422	0,848	99,138	0,248	1,958
PANEL D: Variabel Kontrol							
REV	981	21,756	1,026	19,373	25,238	0,277	3,302
ASSET	981	23,060	1,372	19,343	26,922	0,277	3,017
ROA	981	0,053	0,078	-0,113	0,768	4,157	27,015
OWN	981	22,162	1,298	18,701	26,180	0,167	3,245
LEV	981	0,772	0,871	0,001	15,805	7,564	106,746
BIND	981	47,931	16,397	14,286	90,909	0,307	2,490
BSIZE	981	10,156	3,147	5,000	22,000	0,868	3,673
DUAL	981	0,182	0,386	0,000	1,000	1,644	3,704

Sumber: data diolah

Tabel 10 menyajikan statistik univariat untuk variabel di tingkat negara, dimana terlihat berbagai variasi sifat distribusi di setiap variabel. Misalnya, ENVSCORE untuk Indonesia bervariasi dari minimal 3,78 hingga maksimal 91,64, dengan rata-rata 42,39. Variabilitas serupa dalam ENVSCORE juga terlihat pada empat negara lainnya. Terlihat, ENVSCORE adalah yang terendah di Filipina, memiliki rata-rata ENSCORE 38,41, namun tertinggi di Thailand dengan rata-rata ENVSCORE 58,72. Hasil menunjukkan bahwa pengungkapan di ASEAN lebih baik jika dibandingkan dengan studi pengungkapan lingkungan sebelumnya di negara berkembang lainnya. Misalnya, Gerged dkk. (2018) menunjukkan bahwa skor rata-rata CED di wilayah MENA adalah 13%. Sama halnya Gerged, Al-Haddad, dkk. (2020) melaporkan bahwa pengungkapan lingkungan mencetak nilai rata-rata 14% dalam studi satu negara di Kuwait. Namun, ketika angka pengungkapan lingkungan pada **Tabel 10** dibandingkan dengan angka di negara maju, seperti 81,8% di Amerika Serikat (Matisoff dkk., 2013) dan 64% di Inggris (Barbu dkk., 2014), menunjukkan bahwa CED pada negara ASEAN masih relatif rendah. Perlu menjadi catatan bahwa dikarenakan tidak tersedianya data baik tingkat perusahaan maupun negara, akhirnya sampel penelitian yang semula merupakan 10 negara ASEAN, tersisa menjadi 5 negara.

Tabel 10. Statistik Univariat untuk Variabel di Tingkat Negara

Negara	Ukuran	ENVSCORE	CGOV	FGOV	REV	ASSET	ROA	OWN	1EV	BIND	BSIZE	DUAL
Indonesia	Jumlah	180	180	180	180	180	180	180	180	180	180	180
	Rata-rata	42,39592	62,34611	58,25547	21,68208	22,61903	0,07673	23,5455	0,5016033	42,50375	7,555556	0,0666667
	SD	21,28678	3,425145	27,70098	0,7771882	1,374297	0,0938085	1,209608	0,4888144	14,15441	1,900374	0,2501396
	Min	3,7879	55,3835	1,087	20,18566	20,65125	0,0536	21,22566	0,0006	15,3846	5	0
	Max	91,6441	67,0708	98,8372	23,69511	25,46539	0,4623	26,18019	2,2569	83,3333	14	1
Malaysia	Jumlah	297	297	297	297	297	297	297	297	297	297	297
	Rata-rata	39,55449	85,94687	55,89089	21,33664	22,85853	0,0583572	21,89794	0,8099754	50,00011	9,26936	0,1515152
	SD	.20,25492	3,364265	27,96939	0,8954256	1,461375	0,1055692	0,961845	0,9650022	13,38805	2,1073	0,3591554
	Min	0,8403	80,835	0,8475	19,37271	19,34272	-0,1125	19,46986	0,0047	23,0769	5	0
	Max	86,4605	89,9689	99,1379	23,42571	26,08526	0,7679	23,68909	8,9989	84,2105	17	1
Philippines	Jumlah	153	153	153	153	153	153	153	153	153	153	153
	Rata-rata	38,41438	61,01014	54,55884	21,45094	22,97458	0,0444902	21,62586	0,9267765	32,01097	10,54248	0,4117647
	SD	23,61709	5,210439	27,4106	0,7726295	0,9580507	0,0288789	1,463186	0,5084996	10,2308	2,526145	0,4937692
	Min	1,0188	53,5914	1,9231	19,42364	20,74158	0,0546	18,70129	0,1371	14,2857	7	0
	Max	87,2421	70,1704	98,0769	23,01623	24,97598	0,1508	24,0856	3,2717	57,1429	17	1
Singapore	Jumlah	207	207	207	207	207	207	207	207	207	207	207
	Rata-rata	47,37551	111,7961	56,15387	22,16614	23,47261	0,0380594	21,65314	0,7922981	62,05041	10,01449	0,173913
	SD	24,00997	1,306326	28,16417	1,107993	1,415542	0,0362245	0,954818	1,259839	14,93289	1,996303	0,3799536
	Min	1,7657	109,947	1,087	19,9724	21,02116	-0,0618	19,71735	0,0323	23,0769	5	0
	Max	92,5556	114,707	98,913	24,64577	26,92183	0,1974	23,51582	15,8046	90,9091	16	1
Thailand	Jumlah	144	144	144	144	144	144	144	144	144	144	144
	Rata-rata	58,7213	66,1569	57,52352	22,44658	23,52754	0,043959	22,27755	0,8396604	47,06578	15,02778	0,1597222
	SD	20,23905	2,414435	24,94608	1,092499	1,20559	0,0557346	0,983069	0,5372003	13,48687	2,719894	0,3676269
	Min	7,5742	62,0445	6,5789	19,75963	20,55594	0,0356	20,34944	0,1412	18,1818	9	0
	Max	94,2913	70,1852	98,4848	25,23809	25,56952	0,3547	24,07538	2,643	80,9524	22	1
Total	Jumlah	981	981	981	981	981	981	981	981	981	981	981
	Rata-rata	44,36182	80,27672	56,41215	21,75581	23,06046	0,0531691	22,16188	0,7722374	47,93098	10,15596	0,1824669
	SD	22,79459	19,41316	27,42184	1,025545	1,372189	0,0775537	1,298318	0,8712795	16,39748	3,146935	0,3864258
	Min	0,8403	53,5914	0,8475	19,37271	19,34272	-0,1125	18,70129	0,0006	14,2857	5	0
	Max	94,2913	114,707	99,1379	25,23809	26,92183	0,7679	26,18019	15,8046	90,9091	22	1

Sumber: data diolah

3.3 Uji Asumsi Klasik

3.3.1 Uji Multikolonieritas

Tabel 11 menampilkan matriks korelasi untuk variabel penelitian untuk menguji asumsi multikolinearitas. Tabel menggambarkan koefisien parametrik (Pearson) di bagian kanan atas dan koefisien alternatif non-parametrik (Spearman) di bagian kiri bawah. Sifat paralel dari koefisien korelasi non-parametrik dan parametrik menunjukkan bahwa setiap sisa distribusi non-normal dalam variabel sebanding dengan yang dinyatakan oleh penelitian sebelumnya (Lu & Abeysekera, 2014). Dapat terlihat bahwa *magnitude* dan arah keempat koefisien pada dasarnya serupa, dan oleh karena itu menunjukkan bahwa setiap bentuk nonnormalitas residual kemungkinan tidak menimbulkan masalah statistik yang terbilang parah.

Tabel 11. Matriks Korelasi Pearson dan Spearman 981 Perusahaan-Tahun

Variables	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
(1) ENVSCORE	1.000										
(2) CGOV	0.000	1.000									
	(0.996)										
(3) FGOV	0.159***	-0.007	1.000								
	(0.000)	(0.831)									
(4) REV	0.157***	0.085***	0.021	1.000							
	(0.000)	(0.008)	(0.521)								
(5) ASSET	0.049	0.116***	0.108***	0.452***	1.000						
	(0.122)	(0.000)	(0.001)	(0.000)							
(6) ROA	0.065*	-0.090***	-0.018	-0.037	-0.479***	1.000					
	(0.043)	(0.005)	(0.582)	(0.242)	(0.000)						
(7) OWN	0.117***	-0.279***	-0.031	0.178***	0.167***	-0.009	1.000				
	(0.000)	(0.000)	(0.326)	(0.000)	(0.000)	(0.777)					
(8) LEV	0.078**	0.030	0.098***	-0.020	-0.061*	0.057*	-0.074**	1.000			
	(0.014)	(0.352)	(0.002)	(0.537)	(0.057)	(0.076)	(0.021)				
(9) BIND	0.199***	0.521***	0.206***	0.198***	0.229***	-0.072**	-0.055*	-0.151***	1.000		
	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.025)	(0.088)	(0.000)			
(10) BSIZE	0.084***	-0.086***	-0.015	0.332***	0.310***	-0.194***	-0.107***	0.130***	-0.072**	1.000	
	(0.009)	(0.007)	(0.635)	(0.000)	(0.000)	(0.000)	(0.001)	(0.000)	(0.024)		
(11) DUAL	-0.085***	-0.056*	-0.328***	0.064**	0.085***	-0.070*	-0.063*	0.070**	-0.169***	0.007	1.000
	(0.008)	(0.078)	(0.000)	(0.044)	(0.008)	(0.029)	(0.050)	(0.027)	(0.000)	(0.832)	

* Signifikan pada tingkat 10% dengan *p-value<0.10*

** Signifikan pada tingkat 5% dengan *p-value<0.05*

*** Signifikan pada tingkat 1% dengan *p-value<0.01*

Sumber: data diolah

3.4 Uji Signifikansi Parameter Individual (Uji Statistik t)

Model panel data dengan *panel data* dengan menggunakan *fixed-effect method* untuk melakukan analisis regresi utama dalam studi. *Fixed-effects model* digunakan untuk melakukan analisis regresi utama dalam studi. Menurut Gujarati dan Porter (2003) dan Wooldridge (2010), *omitted variable bias* dapat dihilangkan *fixed effects models* dengan melakukan pengukuran perubahan dalam kelompok sepanjang waktu, yang umumnya dilakukan dengan memasukkan variabel *dummy* untuk karakteristik yang hilang atau tidak diketahui. Dengan menggunakan *fixed-effects estimation* dapat menangani masalah statistik spesifik yang mungkin tidak ditangani dengan menggunakan *ordinary least squares (OLS)*. Misalnya, dalam studi Glass dkk. (2016), penggunaan model *fixed-effects* dapat mengendalikan untuk heterogenitas spesifik-perusahaan yang tidak dapat diamati di seluruh negara dari waktu ke waktu yang dapat memengaruhi hubungan antara variabel hasil dan prediktor yang tidak dapat diatas oleh pendekatan *standard OLS estimation* (Gujarati & Porter, 2003; Wooldridge, 2010). Adapun kesesuaian pelaksanaan *fixed-effects model* telah ditentukan dengan menjalankan uji *Chow*, *Hausman* dan *Lagrange Multiplier*, yang menunjukkan bahwa variabel spesifik perusahaan yang tidak teramati secara tidak signifikan terkait dengan variabel perusahaan lain di lima negara ASEAN.

Tabel 12. Hasil Regresi

Variabel	Model (1) ENVSCORE	Model (2) ENVSCORE	Model (3) ENVSCORE	Model (4) ENVSCORE	Model (5) ENVSCORE
Pendapatan (REV)	-0,138		-0,126		-0,136
	(0,147)		(0,185)		(0,152)
Total Aset (ASSET)	0,556***		0,566***		0,575***
	(0,000)		(0,000)		(0,000)
Return on Asset (ROA)	-1,347**		-1,260**		-1,185**
	(0,015)		(0,023)		(0,033)
Kepemilikan *Stockholder* (OWN)	-0,026		-0,016		-0,047
	(0,873)		(0,919)		(0,771)
Leverage (LEV)	0,005		0,002		0,000
	(0,853)		(0,940)		(0,987)
Board Independen (BIND)	0,004*		0,003		0,003
	(0,091)		(0,155)		(0,170)
Ukuran *Board* (BSIZE)	-0,052***		-0,048***		-0,049***
	(0,000)		(0,001)		(0,000)
Dualitas (DUAL)	-0,089		-0,027		-0,044
	(0,312)		(0,765)		(0,628)
Tata Kelola Negara (CGOV)		0,008	0,008*	0,002	0,003
		(0,104)	(0,095)	(0,676)	(0,632)
Tata Kelola Perusahaan (FGOV)		0,003***	0,002**	-0,005	-0,005
		(0,002)	(0,035)	(0,262)	(0,207)
Tata Kelola Negara*Tata Kelola Perusahaan (CGOVXFGOV)				0,000*	0,000*
				(0,061)	(0,069)
Konstanta (CONS)	-5,211	2,811***	-6,689*	3,226***	-5,555
	(0,174)	(0,000)	(0,083)	(0,000)	(0,155)
Dummies indunstri	IYA	IYA	1YA	1YA	IYA
R-square	0,104	0,014	0,112	0,018	0,115
F-statistik	12,559	6,149	10,837	5,282	10,179
Jumlah Observasi	981	981	981	981	981
Ukuran sampel	109	109	109	109	109

t statistik dalam tanda kurung dengan *two-tailed test*
* Signifikan pada tingkat 10% dengan *p-value<0.10*
** Signifikan pada tingkat 5% dengan *p-value<0.05*
*** Signifikan pada tingkat 1% dengan *p-value<0.01*

Sumber: data diolah

Tabel 12 melaporkan hubungan koefisien dan *p-value* dari regresi panel data *fixed-effect model* untuk memperkirakan persamaan regresi hubungan pengungkapan lingkungan dengan tata kelola perusahaan dalam studi. Pengambilan kesimpulan pada penelitian ini menggunakan *two-tailed test*.

3.4.1 Pengaruh Tata Kelola Perusahaan dan Pengungkapan Lingkungan

Pada Model 1 terlihat bahwa variabel tata kelola perusahaan (β = 0,002; p-value<0,05) menunjukkan angka signifikan dan positif, yang memberikan bukti bahwa tingkat pengungkapan untuk perusahaan dipengaruhi oleh tingkat tata kelola di tingkat perusahaan (**Hipotesis 1 diterima**). Hal ini memberikan bukti bahwa semakin tinggi tata kelola di tingkat perusahaan, akan semakin mendorong perusahaan untuk melakukan pengungkapan lingkungan. Hubungan menjadi salah satu bukti empiris dari teori keagenan.

Menurut teori agensi, pengaturan tata kelola perusahaan yang efektif dapat memotivasi manajer untuk meningkat kan pengungkapan informasi karena dengan mekanisme pengendalian internal yang baik, pemantauan strategi pengungkapan manajer akan meningkat dan mengurangi informasi yang disembunyikan. Tata kelola internal dikaitkan dengan respons korektif eksternal yang lebih kuat dan mendorong manajer untuk meningkatkan pengungkapan perusahaan (Habib dkk., 2013) karena peningkatan tata kelola spesifik perusahaan yang menghambat perilaku manajemen oportunistik, yang akan terjadi jika terjadi konflik kepentingan antara manajer dan kepentingan publik. Misalnya, konflik kepentingan akan terjadi jika pengungkapan informasi menunjukkan kinerja manajemen yang tidak memadai atau penyalahgunaan sumber daya perusahaan untuk kepentingan pribadi. Perilaku oportunistik dan penyembunyian informasi dapat dikurangi dengan langkah-langkah tata kelola perusahaan yang komprehensif (Fooladi & Farhadi, 2019). Sehingga jika mekanisme kontrol berjalan dengan efektif, seperti *board* yang independen, maka manajer akan terdorong untuk berkomitmen secara kredibel terhadap kebijakan pengungkapan lingkungan yang tinggi. Sebaliknya, jika tata kelola yang kuat tidak ditegakkan, maka para manajer dapat dengan mudah dan cepat kembali membuat kebijakan yang kurang baik, dimana pengungkapan perusahaan cenderung hanya memenuhi tujuan jangka pendek sehingga merugikan penciptaan nilai berjangka panjang.

Dalam konteks pengungkapan lingkungan, teori keagenan menyatakan bahwa manajer mungkin memiliki insentif untuk kurang mengungkapkan informasi lingkungan jika hal tersebut bukan demi kepentingan mereka sendiri. Misalnya, manajer mungkin khawatir bahwa pengungkapan informasi lingkungan yang negatif dapat merugikan reputasi perusahaan atau mengakibatkan tindakan regulasi. Namun, jika perusahaan mempunyai mekanisme tata kelola perusahaan yang kuat, seperti direktur independen dan komite lingkungan hidup, mekanisme ini dapat membantu mengurangi masalah keagenan dan memastikan bahwa manajer bertindak demi kepentingan terbaik perusahaan dan pemangku kepentingannya. Tata kelola membantu menyeimbangkan tujuan ekonomi sekaligus sosial Perusahaan agar keseimbangan kepentingan pemegang saham dan masyarakat umum tercapai (Giannarakis dkk., 2019a), sehingga dapat melindungi kepentingan pemangku kepentingan selama proses pengambilan keputusan (Ashfaq & Rui, 2019b) dengan mendorong manajer untuk melakukan pengungkapan informasi tentang perusahaan lebih banyak. Sehingga pengungkapan lingkungan yang lebih akurat dan lengkap dapat dihasilkan. Hasil penelitian menjadi bukti atas argument yang menyatakan bahwa sistem tata kelola di tingkat perusahaan yang kuat akan meningkatkan pengungkapan lingkungan perusahaan.

Beberapa literatur sebelumnya mendukung hubungan antara tata kelola perusahaan dan pengungkapan lingkungan. Misalnya. sebuah penelitian menemukan bahwa persentase direktur independen dan keberadaan komite lingkungan hidup merupakan karakteristik tata kelola perusahaan yang penting yang mempengaruhi pelaporan lingkungan hidup di industri perminyakan (Ienciu dkk., 2012). Studi lain menggunakan teori keagenan untuk menguji hubungan antara pengungkapan lingkungan dan industri minyak (Ness & Mikza, 1991) . Penelitian lain telah menyelidiki pengaruh mekanisme korporasi terhadap pelaporan lingkungan hidup pada bisnis perbankan (Rouf & Al-Faryan, 2022). Dalam sebuah penelitian, dampak praktik tata kelola perusahaan terhadap jumlah pengungkapan lingkungan melalui pelaporan terintegrasi diperiksa secara khusus dengan menggunakan teori lembaga pemangku kepentingan (Raimo dkk., 2022). Sistem tata Kelola pada tingkat erusahaan yang berjalan dengan baik akan mendorong kelancaran transmisi informasi di lingkungan Perusahaan (Ezhilarasi & Kabra, 2017; Paule-Vianez dkk., 2019). Studi lain menunjukkan bahwa perusahaan dengan karakteristik dewan yang spesifik terkait dengan struktur, maka tata kelola perusahaan memainkan peran lebih aktif dalam memantau perilaku manajer dan menyelaraskan kepentingan mereka dengan kepentingan pemilik saat melaporkan kinerja lingkungan (D'Amico dkk., 2016a). Kesimpulan dari penelitian ini adalah bahwa tata kelola perusahaan dapat menjadi faktor penting dalam mendorong transparansi lingkungan dan mengurangi masalah keagenan.

3.4.2 Pengaruh Tata Kelola Negara dan Pengungkapan Lingkungan

Pada model yang sama (Model 1) dilaporkan terlihat hubungan koefisien dan *p-value* dari hubungan pengungkapan lingkungan dengan tata kelola negara. Struktur tata kelola negara memiliki batasan formal (misalnya, undang-undang, prosedur dan peraturan ekonomi dan politik, dan pembatasan lain pada perilaku perusahaan) serta aturan informal (misalnya, norma sosial tidak tertulis, kode etik dan nilai, serta adat istiadat) sesuai dengan teori kelembagaan (D. Kaufmann dkk., 2011b). Variabel tata kelola negara ($\beta = 0{,}008$; p-value<0,1) menunjukkan angka signifikan dan positif, memberikan bukti bahwa tingkat pengungkapan untuk perusahaan dipengaruhi oleh peraturan tertentu terkait negara tempat perusahaan tersebut berada (**Hipotesis 2 diterima**). Mengimplikasikan bahwa semakin tinggi tata kelola negara, maka akan semakin mendorong perusahaan untuk melakukan pengungkapan lingkungan.

Hasil penelitian selaras dengan teori agensi. Teori keagenan menekankan pada permasalahan asimetri informasi antara pemegang saham dan manajer. Adanya tata kelola negara yang kuat dapat mengurangi kesenjangan informasi ini dengan mengatur persyaratan transparansi dan pengungkapan. Dalam hal pengungkapan lingkungan hidup, para manajer akan lebih mungkin memberikan informasi yang komprehensif dan akurat tentang kinerja lingkungan hidup perusahaan ketika mereka mengetahui bahwa mereka berada pada pengawasan yang ketat dan dapat dianggap bertanggung jawab atas kesalahan pengelolaan. Pengungkapan lingkungan sendiri merupakan suatu bentuk pembagian informasi yang dapat membantu mengurangi asimetri informasi dan memastikan bahwa pemegang saham memiliki pandangan yang lebih jelas tentang bagaimana investasi mereka dikelola sebagai bentuk kuntabilitas yang merupakan elemen kunci dalam teori keagenan.

Sistem hukum yang lebih kuat membatasi kapasitas orang dalam untuk memperoleh keuntungan pribadi, sehingga mengurangi motivasi orang dalam untuk menyembunyikan informasi dari pemangku kepentingan perusahaan. Akibatnya, sistem hukum yang lebih kuat sering kali menuntut transparansi yang lebih besar (Nyakurukwa & Seetharam, 2023). Perusahaan mungkin akan mengalokasikan sumber daya yang minimal untuk mengadopsi mekanisme tata kelola perusahaan yang telah diatur oleh undang-undang dan sistem hukum mereka (Ghabri, 2022). Namun, masih belum jelas apakah lingkungan peraturan atau kelembagaan mempengaruhi dampak pengaturan tata kelola perusahaan terhadap pengungkapan perusahaan. Hasil penelitian menjjadi bukti empiris yang memperluas pandangan berbasis teori keagenan tradisional dengan memeriksa apakah dampak tata kelola perusahaan terhadap pengungkapan berbeda antara lingkungan hukum yang lemah dan kuat atau tetap stabil di lingkungan yang berbeda.

Hasil penelitian ini sejalan dengan penelitian terdahulu. Pemerintah yang efektif dan badan-badan hukum kemungkinan besar akan mengeluarkan undang-undang dan peraturan lain yang harus dipatuhi oleh Perusahaan, karena peraturan tersebut telah dirancang secara kompeten dan perlu ditegakkan. Namun perlu dicatat bahwa selama periode penelitian ini, perusahaan tidak memiliki persyaratan wajib untuk mengungkapkan informasi lingkungan hidup di kawasan ASEAN. Namun demikian, tekanan yang muncul dari lembaga eksternal, seperti pemerintah dan lembaga-lembaga di negara-negara ASEAN telah mendorong pertimbangan masalah lingkungan secara umum. Ding & Beh (2022) menggunakan indeks kinerja lingkungan karena kemampuannya memberikan penilaian yang cukup komprehensif terhadap kinerja lingkungan nasional, menunjukkan bahwa efektivitas pemerintah mempunyai pengaruh positif terhadap kinerja iklim suatu negara, yang menandakan bahwa komitmen kuat pemerintah terhadap tata kelola diperlukan dalam upaya melawan perubahan iklim. Lebih lanjut, tata kelola negara yang kuat dapat menetapkan pengaturan di mana perusahaan mungkin terlibat dalam teknik akuntabilitas seperti pengungkapan lingkungan, baik untuk tujuan koersif, normatif, atau mimesis (Alshbili dkk., 2019). Baatour dkk. (2017) mengkonfirmasi klaim ini dengan menyatakan bahwa perusahaan yang beroperasi di negara-negara dengan indikator tata kelola negara yang kuat di seluruh Eropa cenderung memiliki kualitas pengungkapan risiko sukarela yang lebih baik. Sistem hukum yang lebih kuat sering kali memerlukan keterbukaan yang lebih besar karena hal ini akan mempersulit orang dalam untuk mendapatkan imbalan yang mungkin akan mendorong mereka untuk menyembunyikan informasi dari pemangku kepentingan dalam organisasi (Leuz dkk., 2003).

3.4.3 Pengaruh Lingkungan Hukum (Tata Kelola Negara) Terhadap Hubungan antara Tata Kelola Perusahaan dan Pengungkapan Lingkungan

Dalam Tabel 12 khususnya pada hasil Model 2, dilakukan penelitian lebih lanjut dengan melakukan interaksi variabel tata kelola negara dan perusahaan (dengan variabel tata kelola negara*tata kelola perusahaan) untuk melihat apakah tata kelola negara memiliki hubungan substitusi maupun komplementer terhadap tata kelola yang ada pada tingkat perusahaan. Temuan memperlihatkan bahwa hasil tata kelola negara*tata kelola perusahaan terhadap pengungkapan lingkungan signifikan dan positif (β = 0,000; p-value<0,1), menyiratkan bahwa dampak tata kelola perusahaan pada pengungkapan terbukti lebih tinggi di negara dengan perlindungan hukum yang cenderung lebih kuat (**Hipotesis 3 diterima**). Tanda koefisien ini menunjukkan hubungan komplementer antara tata kelola perusahaan dan tata kelola negara sehubungan dengan mempengaruhi pengungkapan perusahaan.

Lingkungan peraturan atau kelembagaan dapat mempengaruhi peran tata kelola perusahaan yang mendorong pengungkapan melalui dua cara. Pertama, lingkungan hukum yang lebih kuat dapat memperkuat dampak mekanisme tata kelola perusahaan tertentu. Sebaliknya, jika sistem hukum negara tempat perusahaan tersebut berada tidak mampu mendukung tata kelola perusahaan, manajer kemungkinan besar akan menyembunyikan informasi. Argumen-argumen ini mendukung hubungan yang saling melengkapi (komplementer) antara tata kelola perusahaan dan kekuatan lingkungan hukum sehubungan dengan dampak faktor-faktor ini terhadap pengungkapan perusahaan. Kedua, mekanisme tata kelola perusahaan tertentu tidak dilaksanakan melalui perlindungan hukum negara. Misalnya, dalam lingkungan hukum yang lemah, dimana terjadi hilangnya kontrol di antara pemegang saham minoritas mungkin membuat peran tata kelola yang ada diperusahaan menjadi penting (Ghabri, 2022; Nyakurukwa & Seetharam, 2023) dengan mendorong manajer untuk memberikan pengungkapan yang lebih banyak dan lebih baik. Karena investor tidak dapat mengandalkan hukum negaa untuk mengurangi konflik keagenan dalam lingkungan hukum yang lemah, sehingga efektivitas pengaturan tata kelola perusahaan dalam meningkatkan pengungkapan perusahaan akan lebih besar dalam lingkungan hukum seperti ini. Selain itu, sesuai dengan "hipotesis *bonding*" (Coffee Jr, 2002b), pengaturan tata kelola perusahaan mungkin memainkan peran pengikatan yang lebih kuat dalam lingkungan hukum yang lemah dibandingkan dalam lingkungan hukum yang kuat. Karena biaya keagenan cenderung tinggi di lingkungan hukum yang lemah, maka akan terdapat permintaan yang lebih tinggi dalam lingkungan ini untuk tata kelola perusahaan yang lebih kuat guna menghindari penyembunyian informasi. Sebaliknya, permintaan terkait biaya agensi untuk tata kelola perusahaan yang lebih kuat diperkirakan akan lebih rendah di negara dengan sistem hukum lebih ketat karena sudah ada mekanisme perlindungan investor di tingkat negara (Choi & Wong, 2007b).

Lingkungan hukum yang lebih ketat dapat memperkuat pengaruh beberapa alat tata kelola perusahaan. Sesuai dengan teori agensi, dengan menetapkan kerangka tata kelola yang bertanggung jawab, etis, dan akuntabel, lingkungan hukum yang lebih ketat dapat membantu mengurangi masalah keagenan dan memastikan bahwa manajer bertindak demi kepentingan terbaik perusahaan dan pemangku kepentingannya. Manajer lebih cenderung menyembunyikan informasi jika institusi yang mendasarinya (seperti sistem hukum yang kuat) tidak tersedia untuk mendukung sistem tata kelola perusahaan yang diberlakukan. Sehubungan dengan efek faktor-faktor ini pada pengungkapan perusahaan, hasil regresi memberikan bukti yang menunjukkan hubungan yang saling komplementer antara tata kelola perusahaan dan tata kelola negara.

Literatur sebelumnya selaras dengan hasil penelitian. Studi Nyakurukwa & Seetharam (2023) menunjukkan bahwa tata kelola yang ada pada tingkat perusahaan memiliki nilai lebih penting apabila perusahaan tersebut berada di negara yang memiliki sistem hukum yang lemah, dan bahwa peraturan kepatuhan tata kelola perusahaan bergantung pada lingkungan yang berlaku. Studi lainnya meneliti perusahaan-perusahaan pasar berkembang yang mengadopsi standar tata kelola perusahaan yang serupa dengan yang ada di AS (Sayari & Marcum, 2018). Sayari & Marcum (2018) menyoroti dampak tata kelola perusahaan terhadap pengurangan risiko di pasar negara berkembang, dan menunjukkan bahwa lingkungan hukum yang lebih ketat dapat membantu meningkatkan tata kelola perusahaan. Secara keseluruhan, beberapa penelitian terdahulu menunjukkan bahwa lingkungan hukum negara yang lebih ketat dapat membantu memperkuat pengaruh tata kelola perusahaan.

3.4.4 Pengaruh Variabel Kontrol dan Pengungkapan Lingkungan

Berdasarkan pada **Model 5** studi juga menemukan koefisien regresi untuk variabel kontrol signifikan terhadap total aset (ASSET), ROA (ROA) dan ukuran *board* perusahaan (BSIZE). Dimana tingkat CED (ENVSCORE) semakin tinggi, ketika ukuran ASSET perusahaan semakin besar ($\beta = 0.575$; p-value<0.001). Sementara hasil pendapatan (REV), jumlah saham (OWN), total hutang per ekuitas atau *leverage* (LEV), dan jumlah anggota *independent board* (BIND) adanya dualitas CEO dan *chairman* (DUAL) hasilnya tidak signifikan seperti yang diharapkan.

Di sisi lain, skor pengungkapan lingkungan berhubungan signifikan dan negatif jika dikaitkan dengan semakin tingginya *return on asset (*$\beta = -1.185$; p-value<0.05). Hubungan negatif antara pengungkapan lingkungan dan *return on asset* dapat disebabkan oleh beberapa alasan potensial. Salah satu alasannya adalah kurangnya permintaan atau tekanan dari pemangku kepentingan: Perusahaan lebih cenderung mengungkapkan informasi lingkungan jika pemangku kepentingan, khususnya investor dan pelanggan, memintanya. Dengan tidak adanya permintaan seperti itu, perusahaan mungkin akan mengungkapkan sedikit atau tetap diam (Sutantoputra, 2022). Selain itu, dampak negatif pengungkapan lingkungan terhadap return saham lebih terlihat pada perusahaan dengan kendala keuangan. Hal ini menunjukkan bahwa investor mungkin tidak mempertimbangkan pengungkapan lingkungan ketika menilai saham (Alsahlawi dkk., 2021). Terakhir, adanya variabilitas dalam kinerja lingkungan. Penelitian menemukan hasil yang beragam mengenai hubungan antara kinerja lingkungan dan pengungkapan. Pengungkapan lingkungan yang dibuat oleh perusahaan yang sudah berperilaku baik dan buruk terkadang sulit dibedakan, hal ini menunjukkan bahwa pengungkapan belum tentu mencerminkan kinerja sebenarnya (Sutantoputra, 2022).

Skor pengungkapan lingkungan juga ternyata berhubungan signifikan dan negatif jika dikaitkan dengan semakin banyak anggota *board* ($\beta = -0.049$; p-value<0.001). Ukuran *board* berhubungan negatif dengan pengungkapan lingkungan, menurut beberapa penelitian sebelumnya (Akbas, 2016b; Osazuwa dkk., 2016; Pisano dkk., 2022). Hubungan antara karakteristik dewan dan pengungkapan lingkungan telah dipelajari di berbagai negara, termasuk Nigeria, India, Turki, dan negara-negara berkembang (Akbas, 2016b; Amalia dkk., 2022; Kumari dkk., 2022; Nuhu & Alam, 2023; Osazuwa dkk., 2016). Temuan ini secara konsisten menunjukkan bahwa ukuran dewan memiliki dampak negatif terhadap pengungkapan lingkungan (Akbas, 2016b; Osazuwa dkk., 2016; Pisano dkk., 2022). Dewan yang lebih besar cenderung mengungkapkan lebih sedikit informasi lingkungan dibandingkan dengan *board* yang lebih kecil (Akbas, 2016b). Korelasi negatif antara ukuran *board* dan pengungkapan lingkungan kemungkinan dapat disebabkan oleh beberapa alasan, sebagaimana dibuktikan oleh berbagai penelitian. Ukuran *board* yang lebih besar dapat menyebabkan penurunan pengungkapan lingkungan karena tantangan dalam pengambilan keputusan dan koordinasi, sehingga kurang fokus pada isu-isu lingkungan (Akbas, 2016b; Osazuwa dkk., 2016; Pisano dkk., 2022). Hal lainnya adalah visibilitas kepada pemegang saham, karena *board* yang lebih kecil mungkin lebih efektif dalam mengatasi permasalahan lingkungan dan menarik pemegang saham yang sadar lingkungan, sehingga mengarah pada peningkatan pengungkapan lingkungan (Osazuwa dkk., 2016). Namun, penting untuk dicatat bahwa dampak karakteristik *board* terhadap pengungkapan lingkungan dapat bervariasi tergantung pada faktor tingkat negara dan pengukuran pengungkapan lingkungan (Pisano dkk., 2022). Secara keseluruhan, temuan ini menunjukkan bahwa perusahaan dengan *board* yang lebih kecil cenderung memberikan pengungkapan lingkungan yang lebih komprehensif.

4. KESIMPULAN DAN SARAN

4.1 Kesimpulan

Pendekatan organisasi digunakan untuk menjelaskan interaksi dan kontinjensi pada efektivitas pengaturan tata kelola perusahaan dan negara. Secara khusus, penelitian ini menyelidiki interaksi pengaturan tata kelola perusahaan dengan lingkungan hukum suatu negara sehubungan dengan dampaknya terhadap pengungkapan lingkungan yang dilakukan oleh perusahaan. Kesimpulan yang dapat diambil berdasarkan hasil olah statistik adalah sebagai berikut:

1. H_{a1}: Tata kelola perusahaan dan pengungkapan lingkungan berhubungan secara positif artinya hipotesa kesatu diterima.
2. H_{a2}: Tata kelola negara dan pengungkapan lingkungan berhubungan secara positif artinya hipotesa kedua diterima.
3. H_{a3}: Kekuatan lingkungan hukum (tata kelola negara) mempengaruhi hubungan antara tata kelola perusahaan dan pengungkapan lingkungan secara komplementer artinya hipotesa ketiga diterima.

Studi ini memberikan bukti empiris bahwa dampak tata kelola yang ada di tingkat perusahaan terhadap keterbukaan informasi lingkungan akan lebih terasa di lingkungan hukum yang kuat. Dengan demikian, hasil penelitian ini memberikan bukti adanya hubungan komplementer antara tata kelola tingkat perusahaan dan tingkat negara sehubungan dengan dampak terhadap pengungkapan lingkungan perusahaan. Temuan ini dapat menjadi salah satu bukti empiris untuk melengkapi beragamnya bukti dalam penelitian sebelumnya yang telah menganalisa keterkaitan antara tata kelola perusahaan dengan pengungkapan informasi perusahaan. Lebih lanjut, hasil penyelidikan ini selaras dengan temuan penelitian terdahulu, yang telah mendokumentasikan hubungan komplementer antara tata kelola perusahaan dan lingkungan hukum. Hasil ini juga memberikan bukti empiris bahwa teori keagenan dengan pendekatan organisasi membantu menjelaskan interaksi lingkungan hukum atas dampak tata kelola perusahaan terhadap pengungkapan lingkungan.

Temuan mendukung hipotesis bahwa lingkungan hukum yang lebih kuat dapat memperkuat dampak mekanisme tata kelola perusahaan tertentu. Jika institusi yang mendasarinya, seperti sistem hukum yang kuat, tidak tersedia untuk mendukung pengaturan tata kelola perusahaan yang diterapkan, para manajer kemungkinan besar akan menyembunyikan informasi pengungkapan lingkungan. Lingkungan hukum berperan dalam mengurangi biaya agensi. Kami berpendapat bahwa perusahaan merespons lingkungan hukum yang kuat dengan meningkatkan pengungkapan untuk mematuhi peraturan yang ada untuk mendapatkan legitimasi dan dengan demikian menjadi kompetitif di pasar modal. Studi ini menyiratkan bahwa persyaratan peraturan melengkapi pengaturan tata kelola perusahaan yang bersifat sukarela. Penelitian ini menawarkan implikasi berikut berdasarkan teori agensi dengan pendekatan organisasi. Pertama, memberikan bukti empiris untuk pengembangan dan penyempurnaan teori keagenan. Kedua, sebagai catatan sejauh yang kami ketahui, penelitian ini menjadi studi pertama mengenai interaksi tata kelola lingkungan dan perusahaan serta pengaruhnya terhadap pengungkapan lingkungan. Penelitian ini memberikan pengetahuan dan wawasan rinci mengenai sistem tata kelola yang mempengaruhi praktik pengungkapan informasi perusahaan.

4.2 Keterbatasan

Hasil studi ini tidak lepas dari beberapa keterbatasan, dimana beberapa kekurangan ini dapat digunakan sebagai arahan penelitian masa depan:

1. Pertama, keterbatasan atas metode pengukuran. Dalam analisis empiris ini, penelitian mengatasi kekhawatiran perbedaan industri, tetapi penelitian ini tidak dapat mengecualikan masalah endogenitas yang lebih luas karena karakteristik perusahaan atau negara yang tidak dapat diamati lainnya, kemungkinan memiliki hubungan yang memperkuat pengungkapan lingkungan. Teknik data panel tidak dapat diestimasi secara konsisten dengan menerapkan *fixed-effects estimator* saja, karena regressor pada dasarnya tidak eksogen (Wooldridge, 2010). Saat melakukan pengujian, uji Durbin–Wu–Hausman dilakukan untuk menentukan apakah residual berkorelasi dengan variabel penjelas atau tidak. Tes Durbin-Wu-Hausman menunjukkan bahwa pengungkapan lingkungan bersifat endogen, yang menimbulkan kekhawatiran endogenitas. Oleh karena itu, penelitian ini mendorong peneliti lain untuk lebih lanjut mengatasi keterbatasan ini, misalnya, ke pendekatan IV atau, *2SLS model* dan *2-step GMM estimator* sebagai alat tes untuk mengatasi masalah endogenitas.
2. Kedua, karena terbatasnya data yang tersedia, sampel penelitian hanya mencakup beberapa negara saja. Hasil penelitian ini menunjukkan bahwa ada potensi untuk penelitian lebih lanjut tentang hubungan antara tata kelola tingkat negara dan tingkat perusahaan terhadap pengungkapan lingkungan, menggunakan serangkaian negara berbeda yang lebih luas.
3. Ketiga, hanya menggunakan sebagai indikator WGI. Beberapa penelitian sebelumnya tampaknya mampu menggunakan semua atau sebagian besar dari seluruh enam indikator WGI ataupun indikator tata kelola negara lainnya. Hal ini sebelumnya sudah dipertimbangkan, mengingat risiko multikolinearitas.
4. Fokus makalah ini pada pengungkapan lingkungan secara keseluruhan, tetapi untuk memahami mekanisme lebih dalam yang mendorong sensitivitas pengungkapan lingkungan secara keseluruhan terhadap faktor perusahaan, negara, dan waktu mungkin diperlukan.

4.3 Saran

Saran yang diajukan untuk penelitian selanjutnya mengenai faktor-faktor yang mempengaruhi pengungkapan lingkungan yaitu:

1. Penelitian berikutnya di masa depan yang akan mengangkat topik terkait penelitian ini, dapat melihat lebih dekat pada peran komposisi board lebih jauh, heterogenitas khusus manajemen atau model bisnis pada pengungkapan lingkungan mereka.
2. Studi dapat menambah sumber data di luar laporan tahunan, seperti informasi pengungkapan lingkungan tambahan dalam laporan khusus atau di situs web perusahaan.
3. Studi di masa mendatang dapat berhati-hatian dan bahwa analisis faktor awal harus dilakukan sebelum indikator digunakan dalam model regresi.
4. Jika kita membatasi hanya untuk mempertimbangkan pengungkapan lingkungan keseluruhan, kita hanya dapat menyimpulkan bahwa kekuatan yang mendorong variabel ini dalam industri cukup dapat diprediksi: perusahaan besar dan menguntungkan, dengan tata kelola baik yang beroperasi di negara maju memiliki pengungkapan tinggi, terdengar umum dan sangat mirip dengan penelitian terdahulu yang sama. Padahal, jika kita melihat lebih dekat pada komponen tunggal yang masing-masing membentuk skor *environmental* dari ESG, kita mungkin akan mendapatkan pengetahuan lain yang mungkin memberikan hasil berbeda.

4.4 Implikasi Penelitian

Studi ini memberikan kontribusi teoritis yang signifikan dengan mengadopsi pendekatan teori agensi untuk menjelaskan interaksi dan kontinjensi yang membentuk efektivitas tata kelola perusahaan dan peraturan negara. Eksplorasi hubungan antara tata kelola perusahaan dan lingkungan hukum suatu negara, khususnya pengaruhnya terhadap pengungkapan lingkungan hidup perusahaan, memberikan perspektif yang tambahan atas penelitian-penelitian sebelumnya. Hubungan komplementer yang teridentifikasi antara tata kelola perusahaan di tingkat perusahaan dan tata kelola hukum di tingkat nasional, serta integrasi teori keagenan dengan pendekatan organisasi, memperkaya literatur yang ada.

Pada tingkat praktis, penelitian ini memberikan bukti empiris yang mendukung gagasan bahwa dampak tata kelola perusahaan terhadap pengungkapan lingkungan hidup lebih dirasakan di lingkungan dengan kerangka hukum yang kuat. Hal ini menunjukkan bahwa perusahaan merespons lingkungan hukum yang ketat dengan meningkatkan transparansi untuk mematuhi peraturan dan mendapatkan legitimasi pasar, sehingga mengurangi biaya keagenan. Regulator mungkin perlu mempertimbangkan sifat yang sangat berbeda dari aspek ESG dan mengatasinya dengan kebijakan *ad hoc* untuk meningkatkan pengungkapan lingkungan keseluruhan secara homogen. Selain itu, berbagai rangkaian insentif yang ditujukan untuk meningkatkan keberlanjutan perusahaan keuangan entah bagaimana harus peka terhadap ukuran perusahaan, profitabilitas dan karakteristik *board*. Terakhir, bukti empiris dalam penelitian ini memiliki implikasi penting atas kebutuhan upaya yang harus dilakukan oleh baik oleh pihak perusahaan maupun pemerintah, organisasi pengatur nasional dan LSM untuk mengembangkan kepatuhan yang lebih dapat ditegakkan untuk pengungkapan lingkungan, termasuk tata kelola, peraturan dan kode etik, di seluruh negara bagian ASEAN untuk mencapai keberlanjutan.

Implikasi studi ini bahwa persyaratan peraturan melengkapi praktik tata kelola perusahaan yang bersifat sukarela menggarisbawahi pentingnya memahami keterkaitan antara kerangka hukum dan tata kelola dalam mendorong transparansi perusahaan. Temuan-temuan penting ini mengkonfirmasi hubungan positif antara tata kelola perusahaan, tata kelola negara, dan pengungkapan lingkungan hidup, sekaligus memberikan kontribusi unik sebagai studi yang menyelidiki interaksi yang saling komplementer antara tata kelola lingkungan dan tata kelola perusahaan, sehingga memberikan wawasan berharga baik untuk penelitian akademis maupun aplikasi praktis di lapangan.

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CONTEXTUALIZING INDIVIDUAL TAXPAYERS' READINESS TO MOVE ON (FROM USING PRESUMPTIVE TAX FACILITY)

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Abstract— The tax mechanism known as turnover-based presumptive tax is provided to taxpayers operating within the micro, small, and medium sectors. Presumptive tax, in principle, is exclusively imposed for a specific duration. Individual taxpayers will transition back to the conventional taxation method in 2025. This study aims to explore the factors that influence the willingness of individual taxpayers to transition from utilizing the presumptive tax facility to adopting the conventional taxation scheme. The present study used a qualitative methodology, explicitly employing a case study framework within the context of South Tangerang. We collected primary data through interviews and obtained secondary data from literature documentation. We analyzed the gathered data using thematic and triangulation analysis methods. This research found six factors that influence the willingness of individual taxpayers to adopt changes in the taxation system. This paper makes a valuable contribution to the government by offering an overview of the critical factors that require attention to enhance individual taxpayers' readiness for the shift in their taxation mechanism.

Keywords: Determinant; MSME; Presumptive; Readiness; Tax

1. INTRODUCTION

1.1 Research Background

Based on the Annual Report of the Directorate General of Taxes (DGT) for 2021, there is a consistent annual growth in the number of registered individual taxpayers (WPOP), as depicted in Figure 1. As of the conclusion of 2021, the total number of WPOP in Indonesia stands at 61,536,414, representing approximately 92.74% of the registered taxpayers in the country. Of the figures mentioned, 17,350,334 individuals listed as WPOP must report annual income tax reports (SPT). Furthermore, 86.2% of these individuals duly comply with the submission of the SPT. Nevertheless, upon categorization, compliance with non-employee WPOP reporting is still relatively low, at 45.53%. Of 4,070,690 non-employee WPOPs obligated to submit their SPTs, 1,853,472 individuals represent this figure. A portion of the non-employee WPOP are individuals who contribute to the tax system and generate money through businesses with an annual gross turnover of less than 4.8 billion rupiah, commonly known as WPOP in the micro, small, and medium enterprises (MSME) sectors. MSME taxpayers play a pivotal role in the contemporary Indonesian economy, serving as its primary catalyst for growth and development. The statistics disclosed in a news release issued by the Coordinating Ministry for the Economy of the Republic of Indonesia on October 1, 2022, substantiate the assertion. The data indicated that the MSME sector has contributed 60.5% to the gross domestic product (GDP) and has absorbed 96.9% of the national workforce.

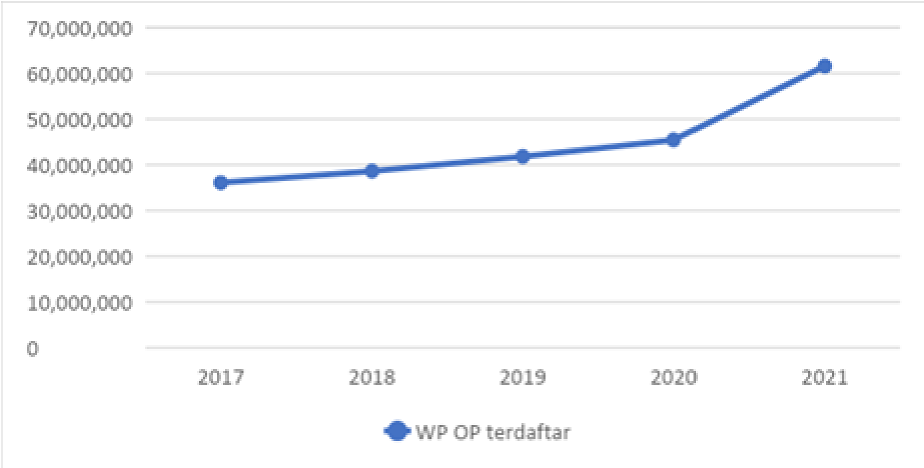

Figure 1. The Growth of WP OP in 2017-2021

Source: Annual Report of Directorate General of Taxes on Indonesia for the year 2021 (2022)

The government provides preferential taxation treatment to the MSME sector, allowing it to benefit from a reduced final income tax rate of 0.5%. The regulations about the special treatment are stipulated in Government Regulation Number 55 of 2022 (PP 55/2022) on the modification of rules in the income tax domain, which supersedes the preceding code, Government Regulation Number 23 of 2018 (PP 23/2018) on income tax levied on earnings derived from commercial activities by taxpayers with a specific gross revenue. Tax policies aimed at providing convenience and fairness to taxpayers in the MSME sector are implemented via government regulation (PP 55/2022), providing legal certainty and streamlining tax administration for the industry. The streamlined tax administration, the presumptive tax facility, is a more straightforward form of taxation designed to address tax avoidance and broaden the tax income generated by the hard-to-tax (HTT) sector, specifically the MSME sector. This notion is substantiated by the findings of Newman et al. (2018), who demonstrated that implementing the presumptive tax on the MSME sector in Zimbabwe resulted in a notable increase in government revenues from 2009 to 2014. Furthermore, Newman et al. (2018) elucidated that implementing presumptive tax can enhance taxpayer compliance within a particular sector.

Furthermore, the presumptive tax facility is a mechanism for incorporating MSMEs into the tax administration system (Mas-Montserrat et al., 2023). In the present scenario, taxpayers classified as MSMEs are allocated a specific duration within which they may avail themselves of tax benefits (Ahmad & Stern, 1989). Understanding tax duties among MSME taxpayers will improve as the designated period elapses. Subsequently, the presumptive tax facility will be substituted with a standard tax method. Many taxpayers must know the temporal constraints associated with the hypothetical tax mechanism, specifically concerning applying final income tax at 0.5% of total revenue. Taxpayers who have utilized the provision as mentioned earlier after the implementation of government regulation (PP 55/2022) are required to transition to the standard income tax rate system outlined in Article 17 of the Income Tax Law Number 7 Year 1983, as amended for the last time by Tax Harmonized Law Number 7 Year 2021 (UU PPh), commencing in the year 2025.

The transition of income tax calculation for the MSME sector to the standard income tax rate implementation signifies that taxpayers must meticulously document all their financial transactions unless they opt for an alternative tax facility using the net income calculation norm (NPPN) mechanism upon notification submission. To this far, individuals operating within the MSME sector have encountered challenges in accurately documenting their turnover and associated expenditures. Multiple studies conducted in Indonesia have examined the issue of record-keeping within the MSME sector. These studies, like Jaswadi et al. (2015), Lisjanto (2018), and Widayati et al. (2023), have consistently found that a significant number of MSMEs in Indonesia continue to face challenges in accurately documenting their financial transactions, which subsequently hinders their ability to meet their tax obligations.

Existing literature related to the tax implications of the MSME sector predominantly focuses on two key areas: taxpayer compliance as research by Inasius (2019), Musimenta et al. (2017), Pratiwi & Sinaga (2023) and tax awareness via studies by (Mukhlis et al., 2015; Newman et al., 2018; Twum et al., 2020). Several studies on taxpayer compliance in Indonesia identify factors influencing taxpayers, such as the research conducted by Melando Waluyo (2013). It was found that factors such as tax service and knowledge of tax significantly affect individual taxpayer compliance, and awareness of individual taxpayers significantly affects individual taxpayer compliance.

The authors identified a scarcity of studies examining the readiness of taxpayers in the MSME sector who had previously utilized the presumptive tax mechanism to transition to a standard taxation approach as stipulated in Article 17 concerning Income Tax. In their study, Sari et al. (2022) conducted an empirical examination to assess the readiness of taxpayers operating in the MSME sector, especially those involved in limited partnerships, within the region of East Java. Nonetheless, with the commencement of 2025, it is evident that taxpayers working within the MSME sector will have challenges in effectively utilizing the standard income tax mechanism. To resolve this issue, ascertaining the determinants that impact the willingness of taxpayers within the MSME sector to adopt the standard income tax mechanism is imperative. This need is particularly relevant for individual taxpayers engaged in business activities within the MSME sector. Aligning with the practical market, this study aims to identify critical elements influencing the readiness of MSME taxpayers in South Tangerang City to switch from the presumptive tax system to the standard income tax mechanism.

In this study, the researchers conducted an exploratory investigation by engaging in in-depth interviews with multiple individual taxpayers operating within the MSME sector in the South Tangerang area. Additionally, representatives from the Pondok Aren Tax Office were questioned to gather insights from diverse perspectives on taxation in the MSME sector. Representatives from the tax office in South Tangerang were chosen as subjects for in-depth interviews because they are at the forefront, dealing directly with MSME taxpayers. The research focus was directed towards South Tangerang City due to several reasons. First, the number of MSMEs in South Tangerang consistently demonstrates an annual positive growth trajectory. Second, this trend is further reinforced by the city's strategic location as a buffer zone for the Indonesian capital, which fosters a favorable business environment. Third, the growth of MSMEs is confirmed by establishing diverse MSME communities within the region (Eliyani et al., 2021).

The main reason behind the author's exploration of this topic is that the government needs strategies and preparations to facilitate the transition of the tax system for individual MSMEs. Therefore, in this research, the author plans to explore what determinant factors influence taxpayers' readiness to switch to the regular tax system from the presumptive/simplified tax regime. By identifying the determinant factors that affect taxpayers' willingness to change to the traditional tax system, the government can prepare more effective strategies to encourage taxpayer readiness to migrate to the traditional tax system. Furthermore, limited literature discusses taxpayer readiness to transition from a presumptive/simplified tax regime to a regular tax system. The most important novelty of this research is to discover and explain the determinant elements under investigation.

This study is expected to provide benefits for various parties. The results of this research can complement the literature related to applying presumptive tax in Indonesia. In addition, this study is expected to furnish valuable insights for DGT in formulating public relations and oversight strategies targeting individual taxpayers within the MSME sector before they transition to the regular tax framework in 2025. Taxpayers are also expected to be able to prepare themselves, especially regarding determinant factors revealed in this research, to support their success in implementing the standard tax framework later.

1.2 Literature Review

1.2.1 Attribution Theory

Snead et al. (2015) define attribution as a conclusion about the causality of a particular event or outcome. A standard dimension in attributing effects involving success or failure is the locus of control, the extent to which a cause is perceived to be related to internal factors within the individual or external environmental factors. Attribution theory in studies using a variety of study designs, research contexts, and focus topics yields insights that enhance our understanding of how attribution processes predict and explain individual emotions and behavior. Heider (Harvey et al., 2014) explains that people have an innate interest in understanding the causes of success and failure. According to Heider, causal explanations enable individuals to understand their world and control their environment. Attribution theory has its roots in the concept of “naive psychology” developed by Heider, whose goal is to understand how ordinary people determine the causes of certain events (Schmitt, 2015).

1.2.2 Presumptive Tax

According to Bird in Newman et al. (2018), presumptive tax arises when the self-assessment system is unreliable. When the self-assessment system opens up gaps for tax avoidance and reduces the tax basis, presumptive tax comes to overcome both problems. Bird and Wallace in Newman et al. (2018) stated that the main aim of implementing presumptive tax is to include the informal or hard-to-tax (HTT) sector into the regular tax system through a simplified tax administration process. The implementation of presumptive tax and its influence on MSME behavior is discussed in Haji (2017). Research examining the hypothetical tax system in Tanzania found that the development of the theoretical tax system significantly contributed to tax revenue and changes in the behavior of MSMEs. However, it still had to be supported by government reform, monitoring, evaluation, and tax audits. However, there are still many MSMEs that were not captured in the tax system, which still shows the need for more effective tax reform for MSMEs through rationalizing the tax regime, controlling factors that influence MSME behavior, improving education and services to trigger voluntary compliance, and increasing operational efficiency. Haji (2017) revealed that the advantages of turnover-based presumptive tax include making it easier to design taxes and minimizing the risk of disputes over tax rates. Meanwhile, the drawback is that the system makes the tax burden unfair to MSME taxpayers; those with large turnovers are charged lower taxes, and those with small turnovers are charged higher taxes. Other disadvantages of this tax system for MSMEs are inefficient administration costs and law enforcement.

Research related to presumptive tax for MSMEs in Indonesia has also been outlined in (Aditya, 2020). This research found that the hypothetical tax system outlined in Government Regulation Number 46 of 2013 concerning Income Tax on Income from Businesses Received or Obtained by Taxpayers Who Have a Certain Gross Turnover PP (46/2013) has been able to encourage voluntary compliance with MSME taxpayers, as evidenced by the increase in registered MSME taxpayers, and the increase in national tax revenues. Simplification of tariffs for MSMEs has also reduced compliance costs. However, implementing the MSME tax rate still raises several problems in terms of ambiguity in the definition of MSMEs and the lack of knowledge of MSMEs regarding the tax system. It is also suspected that the massive use of this tax rate is a form of tax avoidance by businesses whose turnover exceeds the MSME turnover limit.

1.2.3 Earlier Study

Research conducted by Sari et al. (2022) found that factors such as tax socialization received by taxpayers, taxpayers' knowledge of tax provisions, and taxpayers' understanding of tax sanctions have a positive impact on taxpayers' readiness to fulfill tax obligations after the end of the government regulation (PP 23/2018) implementation. The research object of this research is MSME taxpayers in East Java who calculate their income tax using a mechanism stated in PP 23/2018. Researchers distributed questionnaires in a Google form and used quantitative methods with multiple regression analysis. Meanwhile, previous research that, according to the author, is quite relevant to answer their research questions is research that discusses the factors that influence the readiness of MSMEs to implement the Financial Accounting Standard for MSMEs (SAK EMKM) published by the Institute of Indonesia Chartered Accountants (IAI). The author considers this topic relevant because in calculating taxes using Article 17 concerning Income Tax rates, taxable income, which is the basis for calculating tax, comes from the income statement and statement of financial position. Therefore, MSMEs need to be able to apply applicable accounting standards to support their readiness to implement Article 17 concerning the income tax scheme. Previous research found that MSMEs' awareness of the importance of financial reports, socialization, training, and assistance to MSMEs regarding the application of accounting standards for MSMEs, the existence of dedicated employees responsible for financial statements, and MSMEs' knowledge of SAK EMKM influence the readiness of MSMEs in implementing SAK EMKM (Luchindawati et al., 2021; Sholikin & Setiawan, 2018).

2. RESEARCH METHODOLOGY

2.1 Research Object

This research aims to identify and explain what factors influence the readiness of MSME individual taxpayers in transitioning from using final income tax rates to using Article 17 concerning Income Tax rates. The scope of MSME individual taxpayers in this research is MSME individual taxpayers in South Tangerang City. South Tangerang City was chosen as the focus area of research because this city has a positive trend in the number of MSMEs, characterized by the emergence of various MSME communities (Eliyani et al., 2021).

2.2 Research Method

This research uses an interpretive paradigm with a qualitative research method and a case study strategy. Sugiyono (2013) explains that qualitative research methods are based on post-positivism philosophy, usually referred to as an interpretive and constructivist paradigm where social reality is seen as something holistic, complex, and full of meaning so that it does not emphasize generalizations. Meanwhile, according to Sekaran Bougie (2016), a case study is a research strategy that collects information about particular objects, events, or activities. This strategy aims to get a clear picture of a problem. Yin in Sekaran & Bougie (2016) state that this research strategy is carried out by empirically investigating a phenomenon in real life through various data collection methods.

2.3 Research Data Collection Techniques

Understanding the determinants of MSME individual taxpayers' readiness was obtained using triangulation data collection techniques. Sugiyono (2013) explained that triangulation is a technique that combines various data collection techniques (technical triangulation) and data sources (source triangulation). This research combines data sourced from MSME individual taxpayers and the Pondok Aren Tax Office as primary data sources and data sourced from literature as secondary data sources.

Data collection begins by reading and understanding information from previous studies on similar subjects. This literature review was conducted as a preliminary study to map the determinants of taxpayers' readiness in transitioning to general taxation mechanisms. This review was done by surveying the readiness of MSME taxpayers in East Java to implement general taxation mechanism (Sari et al., 2022)

Next, data was collected by interviewing several sources from the MSME individual taxpayers' and the tax authorities' sides. The MSME individual taxpayers used as research subjects were several MSME individual taxpayers in South Tangerang. From the perspective of the tax authorities who directly interact with taxpayers, this research uses the Pondok Aren Tax Office as the research data source. Posted on its social media, Pondok Aren Tax Office is an MSME partner assisting MSMEs. This shows that the Pondok Aren Tax Office is quite representative in understanding the implementation of the tax obligations of MSME taxpayers in South Tangerang.

The author conducted interviews with 4 (four) sources consisting of 2 (two) MSME individual taxpayers, AJ and WD, and 2 (two) employees of Pondok Aren Tax Office MR and MK. AJ and WD are MSME individual taxpayers who own businesses in the culinary sector with a one-year turnover of less than IDR 500 million. Meanwhile, MR has served as an account representative (AR) since 2018, and MK has been a tax instructor since 2021 at Pondok Aren Tax Office. There are 4 (four) main interview topics that serve as interview references, knowledge, and understanding of MSME individual taxpayers regarding tax provisions (Topic 1), recording and bookkeeping of MSME individual taxpayers (Topic 2), socialization and education for MSME individual taxpayers (Topic 3), as well as supervisory and tax sanctions on MSME individual taxpayers (Topic 4). The following is a table detailing the sources and the topics proposed in the interview.

Table 1. Interview Details

Interviewee	Occupation	Topic 1	Topic 2	Topic 3	Topic 4
AJ	MSME owner	√	√	√	√
WD	MSME owner	√	√	√	√
MR	AR	√	√	√	√
MK	Tax Instructor	√	√	√	-

Source: Research Data (2023)

2.6 Research Data Analysis

Based on interview data obtained in the field, the author compiled interview transcripts using the NVivo application for further processing. The author conducted thematic analysis by coding for essential and relevant information and categorizing the codes with charts in the NVivo application. Next, the author analyzes each code and the relationships between codes and describes the results of the analysis in narrative form. The author then links the findings from the interview data with the results of previous research to obtain research conclusions. The following is the overall flow of data analysis carried out by the author.

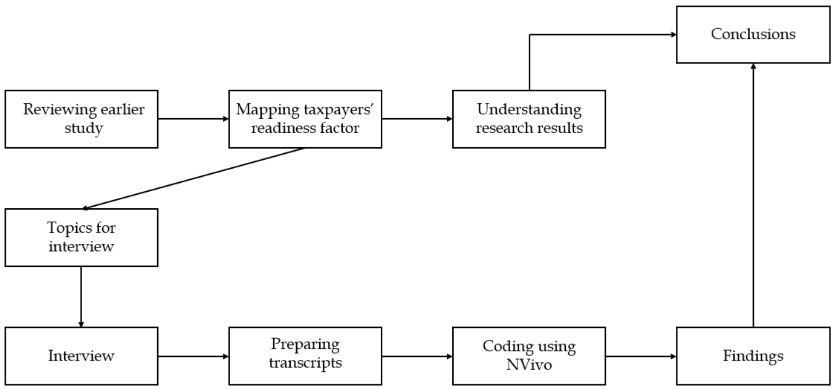

Figure 2. Flow of Research Data Analysis
Source: Research Data (2023)

3. RESULT AND DISCUSSION

In their study, Sari et al. (2022) discovered that various factors, including the extent of tax socialization received by taxpayers, taxpayers' familiarity with tax regulations, and taxpayers' comprehension of tax penalties, positively influence their preparedness to fulfill their responsibilities beyond the expiration of the PP 23/2018 usage period. Furthermore, the process of recording and bookkeeping is seen as a crucial determinant in assessing the preparedness of taxpayers. When the PPh (Income Tax) calculation is based on a mechanism, taxpayers must prepare a profit and loss report. This report serves as the foundation for determining the appropriate tax liability. Alternatively, if taxpayers use the net taxation calculation norms (NPPN), they must consistently record monthly gross turnover. This study examines various factors that serve as the foundation for developing critical themes explored in the interview regarding the knowledge and comprehension of taxation regulations, recording and bookkeeping practices, socialization and education initiatives targeting MSME taxpayers and the oversight and implementation of tax penalties for individual MSME taxpayers.

Based on the author's coding results, it can be inferred that six primary categories elucidate the preparedness of individual MSME taxpayers to transition to Article 17 concerning the Income Tax method. The researchers identified novel variables that supplemented prior scholarly inquiries in the present investigation. The primary classifications encompass the following: taxpayers at the individual level, micro, small, and medium-sized enterprises (MSMEs), their comprehension and awareness of taxation regulations, the process of recording and bookkeeping, oversight and penalties for taxpayers at the individual and MSME levels, adherence to the requirements set forth for taxpayers at the individual and MSME levels, internal drive of the taxpayers, and the scale of the enterprise. The interconnection between child nodes and parent nodes is elucidated in Figure 3.

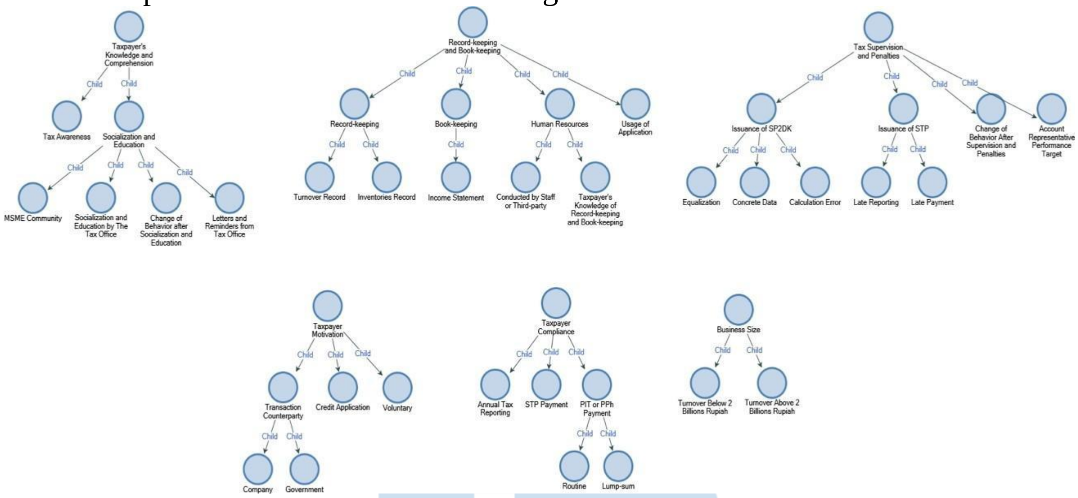

Figure 3. Relationship between Codes and Categories
Source: Research Data (2023)

Factor 1: Individual MSME taxpayers' knowledge and comprehension of tax regulations. This study found that the awareness and understanding of individual tax conditions among MSME taxpayers influence their readiness to comply with the new tax calculation method. Furthermore, this factor is elucidated by multiple sources and its reference in prior studies. The acquisition and comprehension of this knowledge are intricately linked to the taxpaying population's awareness of the tax itself.

> *"Even though my business's annual revenue is not much, I have been a member of the MSME tax-awareness community (USP) since I became aware of my responsibilities. So, when I decide to obtain a Tax Identification Number (TIN), I already know what taxes are, what they are used for, and what our rights and obligations are." (WD, 2023)*
> *"...but why are so few people reporting their tax? "If it is under 500 million (annual turnover), you do not need to pay taxes, and you cannot feel the benefits immediately." (AJ, 2023)*
> *"For MSMEs, their tax awareness is usually still low." (MR, 2023)*

Although the Account Representative stated that MSME tax awareness is still low, the two taxpayers who became study sources said clearly that they knew the existence of taxes against MSMEs. Furthermore, the tax consciousness and understanding of the two taxpayers is built on the socialization and education that taxpayers have followed, both from the Tax Office and the taxpayer community (USP).

> *"... regarding comprehension of taxation, now there are many pieces of training related to it, so most people know about the 0.5% tariff". (AJ, 2023)*
> *"We are also the member of the MSME tax-awareness community (USP), a community that the tax office itself also fosters." (WD, 2023)*

> *"It has been conveyed, automatically when reporting annual tax (SPT) or during socialization, especially for MSME taxpayers, it must have been conveyed that the tax rate for MSME taxpayers is half a percent of their turnover, and the usage limit for individual MSME taxpayers is seven years..." (MK, 2023)*
> *"Account Representatives do not carry out a special approach to the taxpayers. However, when we meet our respective taxpayers, we usually give them reminders and education regarding their responsibilities. Usually, the education is done during the annual tax reporting period (Annual Tax Return)..." (MR, 2023)*

Taxpayers admit that the socialization and education carried out by the tax office and the community have led them to know and understand tax provisions. Education in the form of counseling to a minimum of 10 (ten) participants at one time is carried out by tax instructors. In contrast, account representatives can carry out one-on-one education while meeting their respective taxpayers, especially during the annual tax reporting (Annual Tax Return). There are three big themes in tax counseling: awareness inclusion (Theme 1), tax regulations (Theme 2), and behavior change (Theme 3). Counseling related to tax provisions is included in Theme 2 of counseling. Apart from that, the approach materials prepared by each tax office are taken from the DGT Head Office. Respective tax office instructors usually adapt the materials or prepare their counseling materials. Tax instructors can also send materials to the DGT Head Office for review. If the Head Office accepts it, these materials can be used and distributed for approach throughout Indonesia. Regarding implementation time, counseling on tax provisions is usually tightened near the annual tax reporting period from January to February. Information related to counseling by the tax office is generally shared via Whatsapp and Instagram, as well as through communities.

In addition, it is noteworthy to mention the socialization and educational initiatives implemented by the MSMEs tax-awareness community, USP (UMKM et al.), which aligns with the tax authorities' efforts. Additionally, the tax authorities have underlined the USP community's significant contribution to facilitating the expansion of MSMEs and enhancing their comprehension and awareness of MSME taxation. The USP community, founded in 2017 in South Tangerang City, has significantly transformed the tax strategy for MSMEs. The community has a significant role in shaping the strategy by replicating the tax authority, specifically the Pondok Aren Tax Office, in supporting the growth of MSMEs. This proactive measure ensures that MSMEs are well prepared for potential tax implications from their expansion. By facilitating the enhancement of the MSME's turnover value, there will be a subsequent increase in tax payments, leading to an ultimate rise in tax receipts. Assisting MSMEs was made possible by including business development resources inside the tax authorities' approval program. The collaboration between USP and the Pondok Aren Tax Office at that particular juncture emerged as a noteworthy and exemplary national achievement.

In a previous study, Sari et al. (2022) asserted that the socialization of taxation and the knowledge of MSME taxpayers influence their readiness to transition to standard taxation mechanisms; however, the awareness of MSME taxpayers does not affect their readiness. The study associates tax socialization with attribution theory, which posits that implementing tax socialization by the Directorate General of Taxes (DGT) can create a positive impression on taxpayers, encouraging them to prepare themselves to comply with tax obligations. The knowledge of MSME taxpayers also influences their readiness since a greater understanding of taxpayers enables them to adapt better and fulfill their tax obligations by existing tax regulations. Meanwhile, the study states reasons that support the absence of an influence from the awareness of MSME taxpayers, which is that taxpayers' awareness is insufficient to assist them in facing changes in tax regulations.

This study presents novel findings that establish a correlation between the knowledge and comprehension of taxpayers, tax socialization and education, and the tax awareness of MSME taxpayers, hence diverging from prior studies. The level of expertise and understanding among taxpayers is significantly shaped by socialization and tax education initiatives targeted at taxpayers, further regulated by the tax awareness of micro, small, and medium-sized enterprise (MSME) taxpayers. The link between the three factors can be described as follows when delineated.

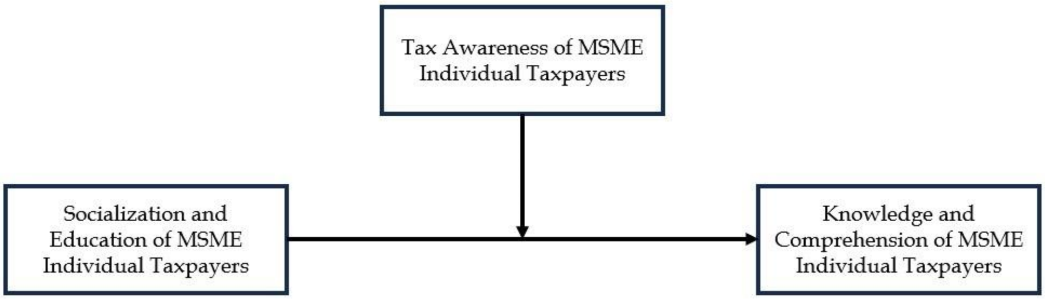

Figure 4. The Correlation Between Knowledge and Comprehension, Socialization and Education, and Tax Awareness of MSME Individual Taxpayers
Source: Research Data (2023)

The relationship is obtained from the analysis of the information provided by taxpayers and the following analysts:

> *"There are some criteria for taxpayers. Someone does not know (the regulation), wants to know it, and wants to implement it. There is something taxpayers do not even want to know. So it depends on the taxpayer too..."(MK, 2023)*
>
> *"The truth is, whether I am ready or not, I will just follow the regulation. For me, so far, I am the one who complies with the government, not the one who likes to refuse..." (WD, 2023)*

Based on the provided evidence, it is evident that the comprehension and knowledge of MSME individual taxpayers may be effectively improved through the process of socialization and education provided to taxpayers. However, in the absence of taxpayer awareness of their tax responsibilities, the comprehension and awareness of individual taxpayers in the MSMEs sector will also be impacted. Those who are ignorant will disregard the tax regulations. However, it should be noted that more than tax awareness alone is needed to lead to enhanced knowledge and understanding of taxation among taxpayers. This is because individuals may possess a certain level of awareness regarding taxes yet still need to gain the necessary comprehension and familiarity with the many taxation rules and regulations. The statement aligns with the findings of Sari et al.'s recent study (2022). Ultimately, knowledge and understanding among MSMEs individual taxpayers can be enhanced through adequate socialization and education, complemented by tax awareness. This approach aims to improve the preparedness of MSMEs as individual taxpayers in adapting to changes in taxation mechanisms.

Factor 2, recording and bookkeeping. Article 17 concerning Income Tax requires taxpayers to carry out bookkeeping, except if they use NPPN, they should at least do the recording. Therefore, recording and bookkeeping activities influence MSME individual taxpayers' ability to adjust their tax obligations.

> *“The recording is not routine; what matters is that the money that comes in (revenue) and the purchases are recorded" (WD, 2023)*

"Only expenditure and revenue. That are the items that recorded. Even if it is just two items, it is hard to be consistent." (AJ, 2023)
"Like it or not, they (taxpayers) normally record how much inventory is in and out. So most likely, they have the inventory record." (MR, 2023)
"Taxpayers usually forget to report their annual tax and record their transactions regularly. To know the real condition, the business turnover has been over 500 million Rupiah or not, according to monthly records. Sometimes, taxpayers record their turnover only when they want to report their annual tax. It does not reflect the real conditions. That is the consequence." (MK, 2023)
"Usually, only the amount of MSME's gross turnover is required. Among the MSME individual taxpayers, one may have an advanced recording, such as an income statement or one that is more detailed than the gross turnover. However, I never found one like that." (MR, 2023)

Both interviewees, who are individual taxpayers in the MSME sector, expressed similar views regarding their practices in recording and bookkeeping. Both individuals documented their receipts and purchases but failed to provide an accurate report. Furthermore, they need help executing the record. The tax authorities also provided documentation consistent with the statements provided by the two taxpayers. According to MK, it has been observed that individual taxpayers of MSME frequently need to remember to document their gross turnover.

Consequently, taxpayers tend to estimate their gross turnover in their annual tax reports, resulting in a discrepancy between the reported figures and the actual circumstances. The issue is that when taxpayers declare their gross revenue at the end of the year, and it turns out that the total exceeds 500 million Rupiah, they risk being penalized for making late payments and late reports. Sometimes, the amount of the penalties imposed exceeds the actual tax liability owed by MSME taxpayers. Additionally, AR claimed that certain MSME individual taxpayers documented their business activities by calculating the volume of incoming and outgoing products. Furthermore, it should be noted that MR still needs to identify cases of MSME individual taxpayers performing bookkeeping activities.

"I mean, some people from my circle of friends have been reporting their annual tax using accounting and tax services. They usually use that service for their business bookkeeping and for making their annual tax report." (AJ, 2023)
"The ones with neat bookkeeping are the ones who use a third party. However, if you do it yourself, there are almost none. Even if there is, that is the simplest bookkeeping, not making an income statement report." (AJ, 2023)
"Often, when taxpayers tell stories, it is just the two of them or something (the employees). Sometimes, if they need to record their transaction, they cannot do it optimally. That is how taxpayers usually convey it." (MK, 2023)
"... because we have limited human resources and limited time, and if we have to do it, we do not think we are very familiar with the application (provided by Indonesia Central Bank), so we automatically want to look for a simpler application..." (AJ, 2023)
"... but now we use QRIS (QR code payment in Indonesia), so some transactions using a barcode with the customer are automatically immediately recorded into the account... this transaction is already online and can be monitored immediately. That is quite helpful, even though we do not know exactly what it is, but at least we know how much daily turnover is." (AJ, 2023)
"... If you download M-Pajak (an application provided by DGT), there will be that. There are items for recording turnover every period there. That is the official M-Pajak

> *application from DGT. There, after logging in, a menu for recording will appear. Usually, we tell the taxpayers after the tax socialization is delivered. For example, if you want to do it manually, that is okay. If you want to use an application, you can use M-Pajak..." (MK, 2023)*

MSME individual taxpayers' recording and bookkeeping activities are inherently interconnected with the resources that help them. One MSME individual taxpayer disclosed that there were human resources, time, and knowledge about record-keeping constraints, rendering it challenging for taxpayers to engage in comprehensive record-keeping when done autonomously and effectively. A tax instructor similarly conveyed concerns about the insufficiency of human resources for managing the business records of MSME taxpayers. In contrast, certain MSMEs use third-party services to enhance the comprehensiveness and organization of their recording and bookkeeping processes.

Applications are another resource that can be used in addition to human resources. AJ disclosed that he has utilized multiple note-taking programs yet occasionally needs clarification regarding the operational intricacies of these applications, specifically the Si Apik and Zahir applications. Another challenge encountered is the limited accessibility of the application, which can only be accessible through a personal laptop. Additionally, if the device used by the taxpayer discovers a fault, the application becomes unusable, requiring the use of the manual approach. Currently, a payment system utilizing Quick Response Indonesia Standard (QRIS) has proven beneficial in facilitating the recording process. The QRIS payments will be automatically recorded in the account, enabling the daily visibility of sales revenues made through QRIS. In addition, the instructor also mentioned the existence of a newly developed application called M-Pajak by the DGT, which has been officially announced and promoted during tax education campaigns. The primary objective of developing this application was to facilitate the systematic documentation of taxpayers for each designated period.

The above description indicates that resources influence the recording and bookkeeping of MSME individual taxpayers. The recording and bookkeeping operations of individual MSME taxpayers impact their readiness to adapt to changes in taxation methods. The requirement for bookkeeping arises from the provisions outlined in Article 17 concerning Income Tax, wherein taxpayers are obligated to maintain proper records unless they decide to use the NPPN system, in which case recording becomes mandatory. Nevertheless, there remains a need for enhanced recording and bookkeeping practices among individual taxpayers of MSME since many entities have yet to establish consistent and regular recording and bookkeeping procedures.

Factor 3 is monitoring and providing penalties to individual taxpayers of MSME. According to the principle of self-assessment income taxation, tax authorities place trust in taxpayers to meet their tax obligations. Hence, the tax authority is responsible for monitoring taxpayers' compliance with their tax duties, ensuring the accuracy and adherence to relevant statutory provisions in reporting and depositing taxes. A diverse range of strategies are implemented at the tax office level to enhance compliance among MSME individual taxpayers. It begins with education, progressing to supervision, and culminating in law enforcement.

> *"... Taxpayers have differentiated again at the DGT head office, which goes into education supervision and which goes into which examination. It depends on the level of CRM. CRM for education or CRM for law enforcement." (MK, 2023)*

The responsibility for supervising taxpayers' adherence to tax requirements at the tax office mainly lies with Account Representatives. Account Representatives have the authority to issue a Letter of Request for Explanation of Data and Information (SP2DK) as part of their responsibilities. This letter formally requests taxpayers to provide further information and data related to the information and data acquired by the tax authorities. For instance, if specific empirical evidence indicates the existence of tax underpayment, such underpayment arises from equalizing income tax payments with other relevant data. It may also result from miscalculations made by taxpayers.

> *" The DGT head office provides "feeding data." It gave us data that we can use and put it on the priority list to become an SP2DK product...." (MR, 2023)*

In addition to issuing SP2DK, Account Representatives have the authority to impose penalties through issuing a Tax Collection Letter (STP), which encompasses instances of income tax underpayments and the provision of administrative penalties. In the context of MSME individual taxpayers, similar data suitable for use as SP2DK trigger data is generally limited. Hence, the strategy commonly employed by account representatives involves the issuance of an STP. The issuance of STPs can also serve as an indicator for assessing the performance of accounting representatives. MSMEs' taxpayers are typically provided with an STP by account representatives. This penalty addresses delayed payments, late filing, or not reporting the annual tax report.

> *"...MSME taxpayers are less filtered on the priority list because of their tax potential. However, just because the value is less than the supervisory priority list at the SP2DK level does not mean it is impossible to issue SP2DK to MSMEs as individual taxpayers...." (MR, 2023)*
>
> *"Yes, he will be subject to the consequences of reporting late or paying late. For example, he only pays 50 thousand rupiah every month. Because you paid at the end, you will be subject to a penalty of 100 thousand Rupiah because of the late payment. The amount of the penalties is greater than the taxes he paid." (MK, 2023)*

Following the enactment of penalties, there is generally a change in taxpayers' behavior regarding fulfilling their tax obligations. Research by Apriliyani (2022) and Iriyanto & Rohman (2022) also suggests that imposing penalties will positively impact taxpayer compliance. Sari et al. (2022) stated in their research that understanding MSME individual taxpayers Commanditaire Vennootschap (CV) regarding tax penalties positively impacts taxpayers' readiness to fulfill tax obligations after the end of the period for using PP 23/2018. However, what is unique is that, with these administrative penalties, not all taxpayers' behavior has changed. Generally, STPs issued for late tax payments are due to payments being made all at once, usually before the annual tax reporting period. Taxpayers should deposit regular payments every month by the 15th of the month. Based on information from sources, some taxpayers still need to arrive on time to make payments, even though an STP has been issued for the late payment.

> *"After being given STP, some taxpayers' behavior changes and some do not. Because of what? Yes, that is it because there are still people who pay it every year in their annual tax report...." (MR, 2023)*
>
> *"It is just that there are consequences; sometimes, we also explain the consequences of your annual tax reporting period. For example, if you pay late, you will be given penalties. They are just not afraid..." (MR, 2023)*

Factor 4, MSME individual taxpayers compliance. MSME individual taxpayers who are compliant in carrying out their tax obligations are the desired output of the tax authority. In the analysis carried out by Sari et al. (2022), taxpayer compliance is a mediating variable between socialization and penalties with taxpayers' readiness to switch to Article 17 concerning the Income tax mechanism, as explained in Figure 5.

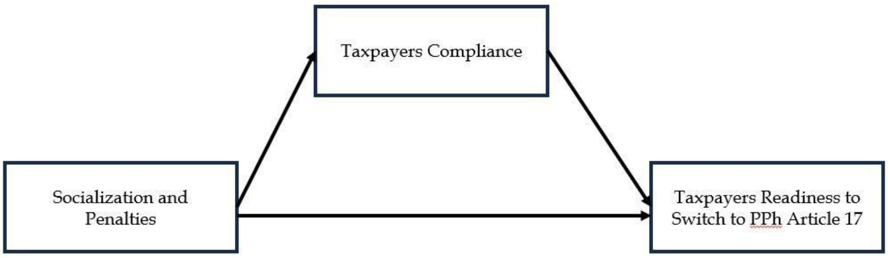

Figure 5. Taxpayer compliance as a Mediating Variable between the Relationship between Socialization and Penalties Factor and Taxpayer Readiness Factor

Source: Processed from Sari et al. (2022)

Their promptness commonly gauges the assessment of MSME individual taxpayers' adherence to their tax responsibilities in fulfilling income tax payments and submitting annual tax reports. In addition, STP payments for administrative penalties serve as a measure of MSME individual taxpayer compliance. According to the findings from interviews, it is observed that MSME individual taxpayers frequently settle their tax payments lump-sum, wherein they simultaneously make payments for many tax periods.

> *"We report the annual tax report once a year, and at that time everything is paid..." (MR, 2023)*
>
> *"In the past, before there was a 500 million Rupiah limit (the exemption on paying MSME income tax), the taxpayers often forgot to make the payment every month... Finally, it will be paid later when they want to report it...." (MK, 2023)*

This research has established a correlation between taxpayers' compliance and several aspects, including socialization, education, supervision, and penalties. According to the data in Figure 4, socialization and education impact taxpayers' knowledge and comprehension of tax provisions. By enhancing knowledge and understanding, individuals are more likely to show changes in their behavior, ultimately leading to a higher level of compliance among taxpayers. Improving taxpayers' compliance is expected to positively impact the readiness of MSMEs and individual taxpayers to transition to Article 17 concerning the Income tax mechanism. In addition to this, the function of monitoring and imposing fines also exerts an impact on fostering behavioral changes within MSME individual taxpayers. According to attribution theory, outside events can affect a person's behavior. One approach to modifying the behavior of taxpayers is through the implementation of monitoring mechanisms and the imposition of punishments. These measures have a deterrent effect and raise the level of caution taxpayers exhibit. Therefore, enhancing the compliance of individual MSME taxpayers can contribute to their greater readiness to transition to Article 17 concerning the income tax process. The interrelationship among these variables is elucidated in Figure 6.

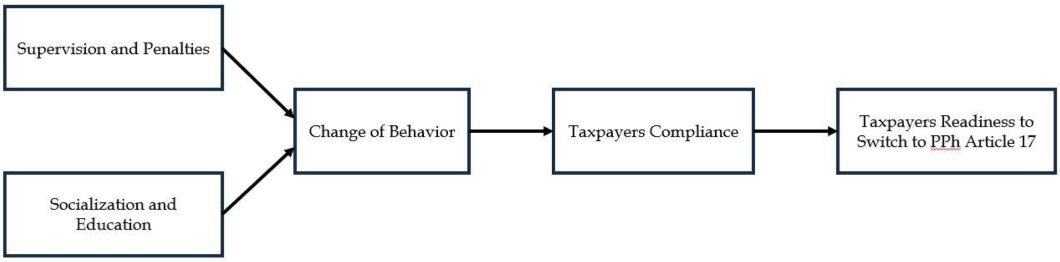

Figure 6. The Correlation Between Supervision and Penalties, Socialization and Education, and Taxpayers' Compliance and Taxpayers' Readiness Factor
Source: Research Data (2023)

Factor 5, Internal motivation of MSME individual taxpayers. The research has identified taxpayers' internal motivation element as a novel variable. According to the interviews conducted, it was observed that both individual taxpayers and tax authorities identified specific factors that motivate MSME taxpayers to comply with their tax responsibilities. For instance, many individuals register to get a TIN or report their annual tax report for credit application purposes. In addition, there is also a selected group of taxpayers who display remarkable knowledge, comprehension, and compliance with tax regulations. These individuals engage in transactions with specific counterparts, including government treasurers and entities classified as taxable entrepreneurs (PKP). Individual taxpayers under the MSME category who express interest in participating in the government's e-Catalog must acquire the Taxpayer Status Information (KSWP). To get this designation, MSME individual taxpayers must provide their yearly self-assessment tax report for the preceding two fiscal years. In addition to considerations related to taxpayers' interests, there exists a subset of individual taxpayers engaged in MSMEs that fulfill their obligations voluntarily. Individual taxpayers operating under the MSME category who have chosen to participate voluntarily conscientiously fulfill their tax responsibilities in adherence to the relevant legal provisions.

"If the MSME does not activate its TIN, then the KSWP report will not have a checklist. In that case, we could never get orders from the government." (AJ, 2023)

"... there are voluntary ones. Maybe because you heard something like that from a colleague or neighbor, right? Some are aware and register for TIN themselves. There are those who are voluntary." (MR, 2023)

"Whether I am ready or not, I am OK with following the rules. As for me, I am the only individual who has so far followed the government's lead. I do not want to argue." (WD, 2023)

Aside from that, MSME individual taxpayers who do business with government treasurers and PKP often have a good understanding of taxation. For example, taxpayers may submit a certificate of use of the final tariff of personal income tax to the transaction counterparty for the tax to be deducted at the final rate, which is lower than the rates of Article 22 and Article 23 Concerning Income Tax. This certificate is only available if an annual tax report has been reported. In other words, those taxpayers are also in relatively good compliance in situations like these.

"Sometimes, in transactions with companies, there is a deduction for PPH 23. For example, if he understands taxes and is compliant, he will give a certificate only to deduct the final PPh, whose rate is lower. That means that you already understand your obligations well enough. So, they comply, too. For example, he can access the certificate, meaning his annual tax report has been submitted, and his payments have

been correct. So, he can use a certificate and get a half-percent deduction instead of higher tariffs on those under Article 23." (MR, 2023)

According to the findings of this study, taxpayers' internal motivation affects their tax knowledge, comprehension, and compliance. Meanwhile, boosting MSME individual taxpayer compliance may enhance the readiness of MSME individual taxpayers to transition to Article 17 concerning the Income tax system. Figure 7 depicts the association between these factors.

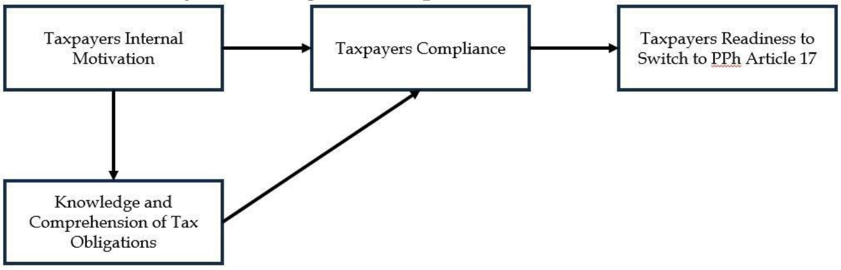

Figure 7. The Relationship Between Taxpayers' Internal Motivation, Knowledge and Comprehension of Tax Obligations, and Compliance and Taxpayers' Readiness Factor
Source: Research Data (2023)

Factor 6, business size. This factor was found in interviews conducted with the Account Representative.

"But when it comes to turnover levels, it is quite varied. But you could say that if we say the turnover is high, the chances of compliance are high." (MR, 2023)

"I think yes, because usually there are taxpayers who have a large turnover, maybe those who have reached 1 billion or 2 billion Rupiah, usually they also trade with companies." (MR, 2023)

According to MR, MSME individual taxpayers with turnovers more significant than 2 billion rupiahs are more likely to comply with tax regulations. This is because MSME individual taxpayers with this turnover typically sell to businesses or the government. Firms and the government collect and withhold taxes in these transactions, requiring MSME individual taxpayers to comprehend tax regulations, keep records, and perform bookkeeping to track the amount of tax withheld or collected. MSME individual taxpayers with a billion-dollar turnover also have more experience meeting tax requirements. Furthermore, with increased economic ability, MSME individual taxpayers can hire exceptional staff to handle financial and tax matters. As a result, the firm's size can influence MSME individual taxpayers' readiness to convert to Article 17 of the PPh law system. The larger the company, the more capable MSME individual taxpayers are of adapting their taxation process to the standard taxation mechanism.

4. CONCLUSION

4.1 Conclusion

The research effectively found six main factors that affect how ready MSME taxpayers are to switch to standard taxation mechanisms using rates outlined in Article 17 concerning Income Tax when they use presumptive tax facilities, which apply final tax rates. Tax socialization and education directly impact the comprehension of MSME taxpayers, with the awareness of tax responsibilities associated with their status as MSME taxpayers moderating this relationship. The optimal approach to enhancing compliance among taxpayers through tax outreach and education involves establishing an MSME community with a comprehensive understanding of their tax responsibilities. Intensive programs focused on business development and fulfilling tax obligations can achieve this understanding. The second key determinant impacting the preparedness of MSME taxpayers is the practice of bookkeeping and recordkeeping. Using standard tax procedures to compute income tax liabilities necessitates that MSME taxpayers generate an income statement to determine the amount of tax owed. Hence, MSMEs must undertake an accounting procedure encompassing all their financial activities to change to a standard tax system. Many MSME taxpayers currently need help accurately documenting their revenue and inventories. The third key determinant influencing the readiness of MSME taxpayers is the implementation of monitoring mechanisms and the imposition of sanctions on taxpayers who fail to adhere to relevant tax legislation. Implementing monitoring mechanisms and imposing sanctions on taxpayers who fail to adhere to applicable tax legislation can effectively impact the behavior of individual taxpayers by heightening their level of caution. By exercising greater caution, MSME taxpayers can enhance their compliance levels, increasing their preparedness to shift to standard taxing methods. This study revealed a significant association between the fourth element, which pertains to the compliance of MSME taxpayers, and other aspects, including socialization and education, as well as monitoring and enforcement measures. The encouragement of socialization and education, effective monitoring, and the implementation of appropriate consequences can foster behavioral changes that lead to greater compliance with tax requirements. The enhanced level of compliance will ultimately improve the readiness of MSME taxpayers to transition toward standard taxation schemes. Evaluating the promptness of individuals in fulfilling income tax payments, submitting annual tax reports (SPT), and settling tax dues can assess the extent to which they adhere to their tax responsibilities. In addition, this study uncovers a novel finding regarding the internal incentive aspect demonstrated by MSME taxpayers. The aforementioned internal motivation significantly impacts individuals' acquisition of knowledge and comprehension about taxation and compliance. Enhancing the compliance of MSME taxpayers can bolster their readiness to transition toward normal taxation processes. The last determinant affecting MSME taxpayers' readiness is the scale of their business operations. Organizations of considerable scale commonly engage in business transactions with tax-compliant counterparts, including governmental entities and companies possessing taxable entrepreneurs (PKP) status. Through increased economic capability, MSME taxpayers can hire specialized personnel responsible for managing financial and tax matters. Therefore, taxpayers with larger firm sizes are more likely to possess the necessary resources and capabilities to effectively adjust their tax procedures to conform with standard taxing practices.

4.2 Limitation

The present study, however, exhibits several constraints. These limitations encompass using a restricted range of sources solely from a limited number of MSME sectors, with a particular focus on the culinary industry, and a turnover that falls below 500 million rupiah. Furthermore, a single account representative solely conveys the tax authority's perspective. Future researchers should enhance the breadth of their study by incorporating more sources, encompassing MSME taxpayers engaged in non-culinary sectors, policy officials, and academics.

4.3 Suggestion

It is recommended that subsequent researchers undertake a quantitative study on these determining aspects to investigate whether these characteristics positively or negatively impact the readiness of MSME taxpayers utilizing the presumptive tax facility to transition to the standard taxation method.

4.4 Implication

This study offers valuable insights for the DGT on the key factors to consider when formulating communication strategies and regulations about tariff switching in the MSME sector. The DGT can prioritize its efforts towards important aspects that substantially impact the preparedness of MSME taxpayers for the move to standard tax systems. The prioritization includes enhancing the efficacy and efficiency of tax strategies and policies designed explicitly for the MSME sector.

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THE AUDITOR'S RATIONAL CHOICE OF THE AUDITOR BOARD OF THE REPUBLIC OF INDONESIA IN EXAMINING GOVERNMENT FINANCIAL REPORTS

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Abstract - This research aims to determine the dilemma of rational choice of auditors from the Audit Board of The Republic of Indonesia in examining government financial reports during the Covid-19 Pandemic. This research using phenomenological approach with interpretive paradigm. Methods of qualitative research were applied in this research. The method used in this research is the phenomenological approach. The subjects of this study serving as informants are those who hold functional positions as auditors within the Audit Board of the Republic of Indonesia. The findings of this study suggest that the challenge faced by the auditors of The Audit Board of The Republic of Indonesia during the Covid-19 outbreak is the auditor's dilemma when evaluating financial accounts. Limited engagement with other people is one of the challenges faced by auditors, making it challenging to gather information or data that ought to be simple. The practice of Working from Home (WFH) could frequently lead to misunderstandings with auditors. This is due to the fact that there is not any face-to-face direct communication between colleagues. Conclusion: The auditors of the Audit Board of The Republic of Indonesia always attempt to make decisions based on careful consideration and sensible choices in order to accomplish the audit objectives when performing their responsibilities. Additionally, there are concerns that emerge based on an auditor's feelings.

Keywords: Auditor; Covid-19; Rational Choice Dilemma; The Auditor Board of the Republic of Indonesia

1. INTRODUCTION

1.1 Research Background

Each country in the world has responded to the Covid-19 outbreak by enacting regulations that limit human mobilization and encourage physical distancing. The auditors of The Audit Board of The Republic of Indonesia obey the demand to engage in physical distancing activities and work from home as the workplace transitions to the virtual world. Until the situation allows or there are other solutions with particular considerations, audit procedures that require auditors to go out into the field should be postponed (Sianipar dan Ardini, 2020). Financial Reporting

Council (2020) mentioned that auditors must take the impacts of Covid-19 into consideration while determining audit risk and the potential for revisions, gathering sufficient audit evidence with modifications to audit guidelines, and developing alternate audit procedures during the Covid-19 pandemic (Levy, 2020).

The efforts and policies related to the audit to be carried out by The Audit Board of The Republic of Indonesia in the context of the numerous adaptations for financial policies as a result of the Covid-19 outbreak were the subject of research by Sianipar and Ardini (2020). There may be issues with local governments based on the frequency of state financial policies during the Covid-19 pandemic. One of them is the chance that corruption may take place as a consequence of the outbreak conditions that have an effect on monitoring and transparency, both of which are deteriorating.

Smith (2017) asserts that quality is a significant concern when technical and procedural modifications are made to the way audits are conducted. The question of whether the quality attained from the professional standards that have been created can still be achieved arises with changes in procedures brought on by changes in the environment. In the research they conducted, Albitar et al. (2021) observed challenges with auditing during the Covid-19 pandemic, including a decline in audit fees, going concern evaluations, low levels of reliability and sufficiency of audit evidence, changes in audit procedures, loss of auditors due to contracting the Covid-19 virus and the need for quarantine, and a decrease in the salary of auditor personnel which has an effect on deteriorating audit quality. The auditee cannot make observations by going directly to the client, and there are barriers to communication with the auditee, according to research by Khoirunnisa et al. (2021), which reveals that there are restrictions to auditors in acquiring remote audit evidence. This barrier creates the potential risk of the information acquired needs to be completed. The possibility of fraud or deception can increase with little to no physical interaction. According to research by Sahifuddin et al. (2015), auditees have distinctive skills, diverse ways of thinking, and differing perspectives in the various financial statement audit processes that result in professional judgments. Any situation involving professional judgment in an audit must be deemed appropriate and reasonable.

It is evident from the explanation of the background given above that there are numerous factors that must be logically taken into account and cause a dilemma for an auditor when making or coming to the right decision in an audit assignment during the Covid-19 pandemic. Given this, the researcher sought to comprehend how The Audit Board of The Republic of Indonesia would make a rational choice of auditors when examining government financial reports amid the Covid-19 Pandemic.

1.2 Literature Review

1.2.1 Auditor of The Audit Board of The Republic of Indonesia's Competence

The auditor must possess an independent mindset in both appearance and thought, according to the Standard Professional Public Accountant. This is in accordance with the duties of the auditor, where it is intended that the profession would be able to provide audit performance and outcomes that stakeholders may subsequently use.

There are 9 (nine) technical competencies for auditors, which can be grouped into 4 (four) technical competence clusters of examiners, including among others, according to the Audit Board of the Republic of Indonesia's Decree of the Secretary-General Number 335/K/X-XII.2/7/2011 concerning Technical Competency Standards for Auditors:

1. Cluster of State Finance Management and Responsibility
    a. Competency in State Financial Management
    b. Competency in the Legal Aspects of auditing

2. Cluster of Auditing Entity
    a. Competency in Auditing entity business process
    b. Competency in Internal control system
3. Cluster of Auditing Techniques
    a. Competency in collecting auditing data
    b. Competency in processing inspection data
    c. Competency in auditing documentation
4. Cluster of Communication in Auditing
    a. Competency in presentation
    b. Competency in making audit reports

1.2.2 Audit Quality

Audit Quality provides the auditor with the ability to identify and report any violations in the client's accounting system (DeAngelo, 1981). The audit report completed by the auditee can be evaluated as a quality report in which the auditee is able to fulfil the requirements defined in the Standard Professional Public Accountant and State Finance Auditing Standards.

A person who is qualified to perform an audit, often known as an auditor, may carry one out. According to Mulyadi (2013), auditors offer audit services, which involve making an effort to obtain and evaluate the supporting evidence for historical financial reports of entities that include assertions. The entity's management is the one who actually makes the assertions. The auditor or auditee is permitted to state if he believes the client's financial statements fairly present the financial situation and operating results of the entity, as adjusted for generally accepted accounting principles.

Standards for audit quality must be fulfilled. According to the Professional Public Accountant Standards and the State Finance Auditing Standards, which cover general standards, standards for conducting fieldwork, and standards for reporting, auditing standards cover two things: the professional competence of an independent auditor and the judgment that functions in conducting audits and preparing auditor reports.

1.2.3 The Dilemma in Choosing a Rational Choice

Rationality may occur when people are faced with a variety of possibilities in their lives, but they are only allowed to choose one and must make their decision in accordance with their views and values. Making rational decisions has definite outcomes in the shape of attitudes or behaviours. Making sensible decisions requires people to go through a number of steps. First, choosing from among the options that are available or feasible after carefully considering all the priorities and goals of an individual, the resources in their possession, and the probability that the desired goals will be achieved.

According to Sahifuddin et al. (2015), each auditee offers a distinctive interpretation and view of the same thing. The auditor's professional judgment fully recognizes that a person has a complex nature when it comes to making a decision. This is thus because humans have certain qualities, such as feelings, instincts, nature and character, and human experience. These factors will contribute to an individual's ability to come up with rational choices.

A policy involving state finances during the Covid-19 outbreak may cause people to question the accountability of the regional government (Sianipar & Ardini, 2020). Due to monitoring and transparency issues, there is a potential that there may be significant corruption. Due to this, the Republic of Indonesia's Audit Board has also set guidelines for carrying out auditing tasks while the Covid-19 outbreak is ongoing. This is accomplished in order to ensure that audits of the administration and accountability of public finances are carried out as planned.

The policies established in place by the government itself to carry out social distancing, work from home, and continual lockdowns actually have an impact on audit quality (Suwandi, 2021). Verifying the audit's findings can be challenging for the auditor. Even the auditor can only depend on the client's explanation of the obtained findings.

In contrast to regular audits, remote audits during the Covid-19 pandemic adopted alternative auditing techniques. Since the auditor and auditee must both support the process records, remote audits are thought to be equally effective and efficient as traditional audits, resulting in an audit of equal quality (Khoirunnisa et al., 2021). Meanwhile, Zahra's research (2021) resulted in the conclusion that more competent and sceptical auditors would conduct higher-quality remote audits. The auditor may improve the audit quality by using these two things.

1.2.4 Audit Policy during the Covid-19 Pandemic

The implementation of inspection procedures that call for in-person meetings will be delayed until conditions can be deemed safe and it is possible to carry out in-person meetings, according to Circular Letter of the Secretary-General Number 04/SE/X-XIII.2/3/2020 explaining the Mechanism for Completing Official Duties in the Context of Preventing the Spread of Corona Virus Disease 2019 (Covid-19) in the Implementing Environment of The Audit Board of The Republic of Indonesia. The auditor can then conduct alternate inspection procedures utilizing information and communication technology or other options aimed at avoiding physical contact while the flow of inspection procedures that call for personal or in-person meetings is postponed.

2. RESEARCH METHODOLOGY

In order to examine the relationships between the causes and effects that are typically predicted to general patterns of a social phenomenon or human activity as a social being, this research applies qualitative research. The study conducted in Audit Board of The Republic of Indonesia, East Java Representative. The phenomenological approach is the one used in this research. The following qualifications apply to the informants in this study: Subjects who hold functional positions as auditors at The Audit Board of The Republic of Indonesia represent the first criterion. The auditor of The Audit Board of The Republic of Indonesia, who is involved in examining the financial reports of the government during the pandemic, is the second criterion. The third criterion is the auditor for the Audit Board of the Republic of Indonesia, who serves as a team leader or team member in the audit assignment letter. In this research, interviews and observation were the primary data collection methods. While data gathering, data reduction, data presentation, and conclusions are the techniques used in data analysis.

2.1 Data Collection

The data are obtained by observation and interview. Observation is a technique used to collect data by making careful observations. The observation technique used by researchers is where researchers can observe phenomena that are appropriate and related to the object that will be discussed in the research. In this research, the secondary method used by researchers is the observation method. This aims to use observation data as complementary data, which functions to complement and also support and test the truth of the data obtained from interviews. Researchers carried out observation activities at the Supreme Audit Agency office and got a glimpse of the competence of BPK auditors during the Covid-19 pandemic.

Interviewing is a technique carried out by researchers by talking and asking questions directly between the interviewer and the informant or resource person. The interview technique used is in-depth interviews. The informamts are chosen through snowball sampling technique. This technique is chosen due to the lack of information provided by sources. The determination of the number of informants that will be taken by researchers is based on the results of the information obtained until the information is sufficient as a result for the study.

2.2 Data Analysis

Data analysis techniques are a stage in research to analyze data that has been collected by researchers. Data analysis techniques are one of the important things in qualitative research. Data analysis is carried out during data collection and after completion of data collection over certain periods. Miles and Huberman (1984) stated that activities in qualitative data analysis can be carried out and continue continuously until completion so that they can be completed when the data collected is saturated. Miles and Huberman (1984) explain the components of the analysis as follows:

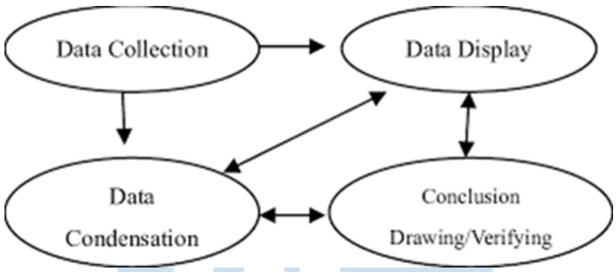

Figure 1. Qualitative Data Analysis (Miles & Huberman, 1984)

The steps in carrying out the data analysis are as follows:

1. Collection/Data

The first step is data collection, where this data will be collected using data collection techniques which include interviews, observations, literature studies, and supporting documents found online or in person. The data found will be arranged in the form of narratives and form a series of meaningful information according to the needs of this research.

2. Data Reduction

The second step is to carry out data reduction, the data obtained from the field will be recorded carefully and in detail. After acquired the data needed, sorting and selecting the data is performed to obtain the important and relevant information. Data reduction is carried out to show a clear picture of the phenomenon and is expected to help researchers carry out further data collection and search if necessary.

3. Data Presentation

After the data is reduced, the data is presented in the form of narratives, short descriptions, charts, and so on. In this research, the dialogue data is copied into the interview transcript and presented into the discussion.

4. Drawing conclusions

The final step is the conclusion drawing and verification step. This conclusion will be drawn at the beginning, to provide temporary conclusions. The conclusions that have been drawn at the beginning may change if strong evidence is not found and is deemed to be able to support it during subsequent data collection. In the process of concluding, the researcher went through a discussion stage based on references to assure whether the results found contradicts or supports the theories and previous studies. After that, an analysis is carried out followed by an interpretation of the data display that is deemed appropriate to the research problem.

3. RESULT AND DISCUSSION

3.1 Auditor's Dilemma in Examining Financial Statements

3.1.1 Difficulties faced by the Auditor of The Audit Board of The Republic of Indonesia during the Covid-19 Pandemic

The Audit Board of The Republic of Indonesia responded to the Covid-19 pandemic emergency situation by taking several steps and issuing policies to stop the spread of Covid-19. The Audit Board of The Republic of Indonesia is responsible for ensuring that, despite the Covid-19 pandemic crisis, the process of auditing the Central Government's financial statements, as well as the financial reports of the Regional Governments, continues to function effectively. In order to maintain the caliber of the audit of financial statements in the 2019 fiscal year in accordance with applicable standards, namely the State Finance Auditing Standards, the Audit Board of The Republic of Indonesia carried out an audit based on the Financial Audit Guidelines during the Covid-19 Pandemic.

The auditor nevertheless encounters several challenges in daily practice. Limited engagement with other people is one of the challenges faced by auditors, making it challenging to gather information or data that is supposed to be simple. The procedure for interacting with others during a pandemic is to keep a physical distance. The primary goal of the physical distancing policy is to minimize physical contact between infected individuals, non-infected individuals and objects nearby in order to prevent the transmission of the virus. Due to this, every nation in the world upholds this policy (Yunus & Rezki, 2020). One of them is in Indonesia, where a physical distancing policy has been put in place. In response, numerous government and private companies have established the Working from Home (WFH) policy.

The concept of working from home (WFH) is one component of the idea of telecommuting. Work that can be performed from home, or WFH, activities provide for more flexibility in schedule. The motivation to work, however, may decline if this Work from Home (WFH) activity is continued for a long time. This is due to the possibility of delays in work that is typically completed during regular business hours. One of them is flexible time, which is employed irregularly and also lacks direct superior supervision. This WFH policy makes it harder to strike a balance between work and personal life by allowing people to work from home, where demands for audit data are perceived to take longer and be more challenging.

The completeness of the data must be taken into account when conducting audit procedures. It can be claimed that gathering physical evidence can be challenging for auditors or auditees during a pandemic. This is the consequence of audit procedures being performed remotely and using nearly only digital data. This is one of the challenges the auditor sees in monitoring work. To prevent mistakes, an auditor must sort work more intelligently, and the absence of direct supervision may result in decreased motivation among workers.

Implementing Work from Home (WFH) can frequently result in miscommunication. This is because of circumstances that prevent direct face-to-face communication with work colleagues. Additionally, Work from Home (WFH) is heavily reliant on the internet for implementation. Auditor productivity is frequently hampered by slow internet connections and household distractions when conducting online meetings. Last but not least, data security is an issue because transferring data via the internet is feasible if the data may leak or spread widely.

When examining the existence of audit activities performed remotely, numerous considerations must be made. One of them is being unable to witness the party being audited in person. Remote audits can also make it challenging to establish a relationship with the auditor, and the lack of face-to-face interaction may lead to the possibility of fraud to happen.

3.1.2 Dilemma Before Making a Choice

According to research conducted by Mostafa (2021), the real impact of the Covid-19 pandemic is that it has had a considerable impact on the processes used to audit financial reports. By using this audit procedure, the auditor will be able to gather enough data to support the development of appropriate assurance and provide an opinion on financial reports (Arens et al., 2012; Yuara et al., 2019).

As a result of the existence of a social distancing policy and recommendations to work from home, Litzenberg & Ramirez (2020) stated their opinion. However, as there is still a need and a responsibility to perform audits, efforts are required to replace the traditional audit procedure used in the Covid-19 pandemic era with audit activities. The alternate strategy is for auditors to undertake their work via remote audits following the Covid-19 pandemic.

As a response to the current Covid-19 pandemic problem, organizations like the Public Accounting Firm and the Audit Board of The Republic of Indonesia have Standard Operating Procedures (SOP), and the need for audits is still ongoing. The International Auditing and Assurance Standards Board (IAASB), the International Federation of Accountants (IFAC), and the Indonesian Institute of Certified Public Accountants (IAPI) are three authorized organizations that continue to be referenced in the SOP. The issued guidelines should be able to provide a general overview of the auditing process. Guidelines or SOPs, however, still need to be revised to account for the limitations that auditors in the field encountered during this pandemic. A policy that is more in line with the execution of audits conducted online is therefore required. Conducting remote audits and employing virtual audit methods necessitates adjustments in the field and will undoubtedly attract numerous obstacles. The following is a summary of how auditing practices were implemented during the pandemic:

Table 1. Implementation of Auditing Procedure during Covid-19 Pandemic

Item	Go Pubilc Company	The Entitiy with no Public Accountability	Public Sector Agencies
Communication	Virtually	Virtually	Virtually
Physical Audit	Virtual Obseervation	Virtual Obseervation	Virtual Obseervation
Confirmation and Request for Information	Virtually	Virtually and Directly	Virtually and Directly
Documents/Data	Softcopy and hardcopy	Softcopy and hardcopy	Softcopy and hardcopy
Completion Time	Takes longer time	Takes longer time	Takes longer time
Auditee	Digitalized	Have not yet been digitalized	Have not yet been digitalized

To assist the auditors of the Audit Board of The Republic of Indonesia during the Covid-19 pandemic, the Audit Board of The Republic of Indonesia has released a financial audit guide that contains a number of alternative procedures that are expected to address current assertions and produce an output of the same quality as the regular inspection procedure. Remote auditing was one of the options employed by the Audit Board of the Republic of Indonesia to conduct audits during this pandemic. As defined by Teeter et al. (2010), a remote audit is one of the auditor's processes that makes use of data analytics, information technology, and communication in order to carry out its duties. Through remote auditing, the internal auditing process can be improved.

Everyone takes various approaches to acting and immersing themselves in the mindset and actions of those around them. Each person's interpretation and response change, which leads to different actions and distinct dilemmas that can be considered before a decision is made. Even while auditors do the same duties and responsibilities, they occasionally encounter different difficulties and produce different dilemmas. It is less feasible for the auditor to conduct face-to-face interviews or to question related parties when document analysis is conducted virtually directly. As a result, the auditor has an obligation to record and write down the inquiries addressed during the auditee's virtual interview.

The dilemma emerges when it is determined that the auditee under examination lacks effective business processes, in which case the auditor needs to determine how to replace conventional methods that are no longer applicable due to the Covid-19 pandemic with alternative procedures. This demonstrates that there were a number of circumstances that prevented the auditor from relying on or applying alternative methods throughout the verification process during the Covid-19 pandemic. Thus the auditor continued to follow traditional procedures to acquire trustworthy and accurate audit data. The auditor has another dilemma when it becomes necessary to follow standard procedures because the entity's business operations are insufficient.

Virtual audit activities may prevent the auditor and auditee from having face-to-face interactions, which could generate a potential for fraud. These options include submitting manipulated documents and leaving out crucial details that are deemed vital. Aside from the difficulty of deciding what procedure to apply, an auditor for the Audit Board of The Republic of Indonesia must also deal with the dilemma of time. The challenges faced by auditors make it tough to examine financial reports; one of the most challenging elements is doing a physical audit examination remotely. This is due to the fact that not all locations have WiFi networks, and those that do often have weak WiFi coverage due to their remote locations.

The auditor must be able to check the accuracy of the data obtained because remote audits present potential for fraud, such as the submission of manipulated documents and the omission of essential data. The auditor must cope with time in the meantime to review the current documentation.

3.2 Rational Choices

3.2.1 Choosing the Best Choice

As an examiner, the auditor must be able to draw the right decision in situations where conventional examination is not possible. The auditors of the Audit Board of The Republic of Indonesia are, however, constantly faced with the dilemma of depending on alternative procedures in order for the team to be confident in the validity and sufficiency of audit evidence. An auditor constantly tries to make decisions based on the best and most logical factors. The choice chosen mandates that the auditor be able to continue performing online audits of government financial statements through remote auditing, conventional procedures, and a mix of methods.

3.2.2 The Rational Decision of an Auditor

The auditor's rational decisions can be categorized under Weber's Rational Choice Theory. An auditor from the Audit Board of The Republic of Indonesia is obligated to act in accordance with the best judgment that may be made and conveyed in the form of an auditor's professional judgment. In the responses of an auditor from the Audit Board of The Republic of Indonesia, instrumentally rational actions (*Zweckrational*) are the most frequently encountered.

For instance, LW, the auditor for the Republic of Indonesia's Audit Board, prefers not to do on-site inspections. The significant issues are concerns for one's own safety as well as worry about infecting and affecting the family. Making decisions may be influenced by the emotional need to defend one's own self and one's own family. LW continues to do his duties and activities in line with the ordered assignments regardless of the emotional drive an auditor experiences.

The Auditor of the Audit Board of The Republic of Indonesia tried to provide the best consideration while the Covid-19 pandemic made it challenging to conduct audits so that they could perform fundamental audits in accordance with the applicable standards and guidelines for state financial audits.

4. CONCLUSION AND LIMITATION

4.1 Conclusion

It can be inferred from the findings and discussion above that an auditor from the Audit Board of The Republic of Indonesia encountered a dilemma when examining financial statements during the Covid-19 outbreak. The dilemma emerged as a result of the audit procedures' implementation during the Covid-19 pandemic, which underwent adjustments. A remote audit is used to carry out the audit activity procedures that are advised to be conducted during the Covid-19 pandemic. However, in reality, the auditor faces dilemmas like concerns regarding data manipulation and the validity of audit evidence.

Based on the findings of this research, it is apparent that the auditors of the Audit Board of The Republic of Indonesia have made instrumentally rational decisions (Zweckrational) when approached with a decision-making dilemma. The auditors of the Audit Board of The Republic of Indonesia always attempt to make decisions based on careful consideration and sensible choices in order to accomplish the audit objectives when performing their responsibilities. Additionally, there are concerns that emerge based on an auditor's feelings. This demonstrates that the auditor is still a human being with feelings and emotions, as there is no evidence of decision-making based on traditional activities.

Every individual who behaves certainly has a reason to place himself in the environment, in thinking and acting. All forms of decisions taken by auditors are social actions based on rationality. The actions taken have a certain pattern, structure and meaning and are influenced by the social reality that occurs. In the era of the Covid-19 pandemic, BPK auditors have their own difficulties and challenges and must continue to carry out their duties and authority to audit financial reports. The emergence of remote audit procedures which are expected to help auditors carry out audits also creates difficulties and dilemmas for BPK auditors. It is hoped that technological development will help the smooth implementation of audits considering the uncertainty arising from the Covid-19 pandemic outbreak.

The difficulties experienced by BPK auditors during the Covid-19 pandemic can be taken into consideration for the BPK RI agency in forming audit guidelines that can be used during or after Covid-19. This can also help auditors in dealing with similar conditions that do not allow auditors to carry out face-to-face audits, as happened during the pandemic.

4.2 Limitation

During the interview time, the researcher was faced with limited time owned by the informant due to the informant\s busyness carrying out post-audit work and existing audit assignments so that some informants canceled because they were still carrying out the inspection. To carry out qualitative research, the selection of informants and their willingness to provide information should be better prepared. Audit during covid 19 can be more efficient and effective by using information and communication technology. It can continue to develop and become a breakthrough in the world of auditing especially in the government. This can be proposed as entirely new avenues to explore in future studies.

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THE ANALYSIS OF THE TIMELINESS OF FINANCIAL STATEMENTS (AN EMPIRICAL STUDY ON CONSUMER GOODS SUBSECTOR LISTED ON IDX 2018-2021)

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Abstract- The timeliness of financial statements is regarded as one of the qualitative attributes of financial statements, denoting the availability of information for decision-making purposes prior to its diminished capacity to impact decisions. The objective of this study is to gather empirical data on the impact of profitability (ROA), leverage (DER), liquidity (CR), and institutional ownership on the promptness of financial statement reporting. The focus of this study encompasses consumer products firms that are publicly traded on IDX within the time frame of 2018 to 2021. The present study employed secondary data and employed a purposive sampling technique to select and analyze samples, utilizing logistic regression as the primary analytical tool, resulting in research sample of 25 companies. The findings indicate that there is no significant impact of profitability and liquidity on the timeliness of financial statement reporting. However, the study does find a significant positive relationship between leverage and the timeliness of financial statement reporting. Additionally, institutional ownership is found to have a positive and significant effect on the timeliness of financial statement reporting. The simultaneous impact of liquidity, profitability, leverage, and institutional ownership on the timeliness of financial statement reporting is found to be considerable.

Keywords: Institutional Ownership; Leverage; Liquidity; Profitability; Timeliness of Financial Statement Reporting

1. INTRODUCTION

1.1 Background

A company definitely needs a source of capital to carry out its operational activities. According to Weygandt et al. (2019), "Company management decides whether to issue shares (equity financing), bonds or debt securities (debt financing), or a combination of both". One instance of equity financing is the implementation of an Initial Public Offering (IPO) inside the realm of the capital market. An Initial Public Offering (IPO) refers to the formal procedure via which a company transitions from being privately held to being a publicly traded entity by issuing its first shares to the broader public. According to data from IDX, it can be observed that between the years 2018 and 2021, a consistent number of over 50 firms engaged in the process of Initial Public Offering (IPO). In the year 2018, a total of 57 firms initiated initial public offerings (IPOs). The subsequent year, 2019, had a slightly lower number of IPOs with

55 companies. Moving on to the year 2020, there was only 51 companies. Finally, in the most recent year, 2021, the number of companies conducting IPOs increased to 54. This demonstrates that there has been a consistent demand for equity funding through Initial Public Offering (IPO) from 2018 to 2021. According to IDX, the companies listed on the IDX are categorized into nine categories based on the economic activity of each listed company.

Table 1. Five Sectors with the Highest Market Capitalization Value

Sectors	Market Capitalization (in billions of IDR)			
	2018	2019	2020	2021
Finance	2.180.757	2.540.022	2.528.669	3.216.148
Consumer Goods	1.455.771	1.170.945	1.056.643	1.104.043
Infrastructure, Utilities, & Transportation	734.432	795.566	707.244	896.345
Trades, Services, & Investments	680.229	687.480	684.546	737.552
Basic Industry	666.874	774.839	740.626	908.328

Source: www.idx.co.id

According to the data presented in Table 1.1, it can be observed that consumer goods companies had a decline in market capitalization value during the years 2018 and 2020, followed by a subsequent growth in 2021. Consumer Goods sector's market capitalization value had a decline between 2018 and 2020, followed by an increase in 2021. However, it is noteworthy that throughout this period, the Consumer Goods sector constantly maintained its position as the second highest in terms of market capitalization value. A substantial market capitalization serves as evidence that a considerable quantity of outstanding shares is accompanied by a correspondingly elevated share price, so indicating a notable level of investor interest in the Consumer Goods sector. The elevated valuation of the Consumer Goods is seen in the statistics of the Sectoral Composite Stock Price Index (JCI). The observed trend indicates a decline in the JCI (Joint Consumer Index) of the Consumer Goods sector between 2018 and 2020, followed by an increase in 2021, which aligns with the corresponding fluctuations in the Market Capitalization of the Consumer Goods sector during those respective years. The subsequent data represents the Sectoral JCI (Jakarta Composite Index) of the top five sectors based on their market capitalization.

Table 2. Sectoral Composite Stock Price Index

Sectors	Sectoral Composite Stock Price Index			
	2018	2019	2020	2021
Consumer Goods	2.569,287	2.052,654	1.832,109	1.962,563
Finance	1.175,67	1.354,661	1.333,176	1.779,556
Infrastructure, Utilities, & Transportation	1.064,290	1.137,544	1.001,019	1.006,765
Trades, Services, & Investments	783,883	769,832	766,373	942,022
Basic Industry	854,733	978,127	920,968	1.353,086

Source: www.idx.co.id

Despite a decline in demand for stocks, consumer goods has consistently maintained the highest position among the six sectors from 2018 to 2021. This observation serves as evidence that the demand for stocks for these companies surpasses that of the other five sectors. Being a firm that is publicly listed on IDX, it is incumbent upon the organization to provide open and transparent information as a means of demonstrating accountability to the general public. This includes investors who have made financial investments in the company, for whom the submission of financial statements is essential. According to Regulation PJOK.04/2021 issued by the Financial Services Authority of the Republic of Indonesia, it is mandated that companies intending to go public to submit financial statements. These statements must undergo an audit conducted by a public accountant who is duly registered with the Financial Services Authority (OJK). The submission deadline for these audited financial reports is set no later than the end of the third month following the annual financial statement's date. As stated by Kieso, et al. (2018), financial statements serve as the primary method employed by corporations to convey financial information to external parties. Following the outbreak of the Covid-19 epidemic, the OJK (Financial Services Authority) and IDX have implemented new regulations pertaining to the extension of deadlines for the submission of financial reports in March 2020. On March 18, 2020, OJK and IDX announced that the deadline for the submission of annual financial statements will be extended by a period of two months beyond the originally scheduled deadline.

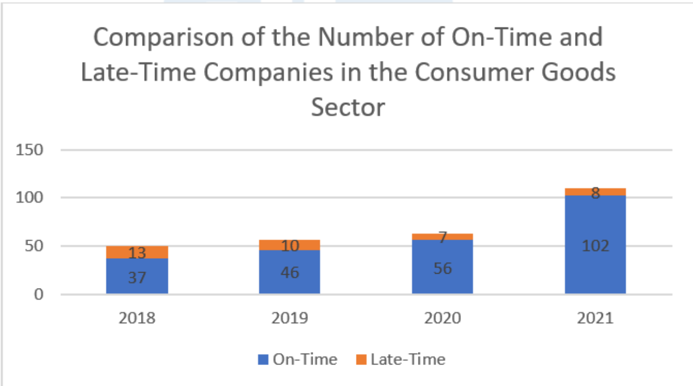

Figure 1 Comparison of the Number of Companies in the Consumer Goods Sector that Submitted Financial Reports On-Time from 2018 to 2021
Source: www.idx.co.id

According to the data presented in Figure 1, it can be observed that the majority of companies within the Consumer Goods sector demonstrated punctuality in submitting their financial reports during the period from 2018 to 2021. Specifically, the percentages of companies that adhered to the deadline for submitting financial reports were 74%, 82%, 89%, and 93% sequentially for the years 2018, 2019, 2020, and 2021. The performance of the Consumer Goods sector in the capital market exhibited a decline from 2018 to 2020, followed by an increase in 2021. However, it is noteworthy that the timeliness of the Consumer Goods industry has demonstrated a consistent upward trend annually. "Timeliness means that information is available to decision-makers at the right time so that it can influence their decisions. In general, the older the information, the less useful it is" (Ikatan Akuntan Indonesia, 2022). According to (Auliyah, 2020), "The need for timeliness of financial reporting is clearly mentioned in the basic framework for preparing financial statements presentation so that the financial statements presented are relevant for decision makers."

By ensuring timely submission of financial reports, the company can effectively circumvent the penalties imposed as a consequence of delayed financial report submission. Along with the inclusion of positive indicators in its financial statements, it can yield advantages for investors. A case in point is PT Indofood Sukses Makmur Tbk (INDF), which submitted its annual statements for the period ending December 31, 2020, on March 23, 2021. According to the financial report as of December 31, 2020, INDF disclosed a significant rise in profitability, amounting to 48.3% compared to the previous year. "The financial report which contains information on the profit generated by the company is used as one of the bases for making decisions to buy or sell ownership owned by investors" (Idawati, 2019). The INDF organization also engages in the development of business concepts aimed at enhancing the welfare of the society. The INDF organization engages in collaborative initiatives with farmers, cattle breeders, and Warung Makan Indomie (Warmindo) establishments. In the year 2020, INDF made further progress in its partnership program by expanding its outreach to a greater number of establishments that offer readily consumable instant noodles.

It is apparent that there was a 5.12% rise in the share price, followed by a 1.12% gain on April 23, 2021. Furthermore, there was a cumulative increase of 6% throughout the course of the month subsequent to the publication of INDF's financial results as of December 31, 2020. When a significant number of investors engage in the purchase of a company's shares, it leads to an upward movement in the share price, resulting in investors realizing gains in the form of capital appreciation. In addition to the perspective of investors, the creditor's viewpoint also warrants consideration. By providing timely financial reports, companies enable creditors to assess their capacity to repay loans. In the case of INDF, the publication of its financial reports in a timely manner in 2020 coincided with an increase in its total debt in 2021. Hence, the corporation will utilize the augmented liabilities to support its future operational endeavors. Hence, it is anticipated that several factors will exert an influence on a company's adherence to timely submission of financial reports, specifically encompassing profitability, liquidity, leverage, and institutional ownership.

The initial factor anticipated to impact the punctuality of financial report submission is profitability. According to Weygandt et al. (2019), "Profitability measures the income or operational success of a company for a certain period of time ." Profitability is measured by Return On Asset (ROA). ROA measures a company's asset-based profitability. The company's asset management skills boost profits with a greater ROA. This indicates that the company has internal control, such as Standard Operating Procedures (SOP) that promote asset efficiency. SOPs include optimal machine usage and capacity utilization. Maximizing machines ensures no machines are idle and maximizes earnings by producing more products. The company's capacity to manage assets to generate higher profits shows that its internal control is adequate, such as recording the purchase, addition, reduction, and accumulated depreciation of machinery to aid audits. To aid stock-taking audits, the corporation labels each machine with its type and serial number. With effective internal control, the company can create financial reports fast, and if evidence collection is easy, the audit process can be completed quickly, resulting in on-time financial statements. This matches research by Novitasari et al. (2021). Meanwhile, Mustika & Ferdilla (2021) showed there is no relationship between profitability and the timeliness of submitting financial reports.

The second variable that is expected to affect the timeliness of financial report submission is liquidity. According to Novitasari et al. (2021), "liquidity is the ability of a company to fulfill its financial or financial obligations in the short term with available current funds". In this study, liquidity is measured by Current Ratio (CR), which assesses a company's capacity to satisfy short-term obligations using current assets. A higher Current Ratio means the company's Current Assets exceed its Current Liabilities. The company's ability to pay debt with present assets is growing. The company's ability to pay high debt reduces default risk. With low default risk and effective internal control, misstatement risk is lower. One good internal control tool is an aging schedule, which lists receivables from each client by due date and puts them into age categories. The aging schedule is an internal control that controls receivables realization into cash to lower bad debts. The aging schedule also lets auditors evaluate receivables' ages, designate them as current or non-current, and calculate bad debt expense (BDE) and reserve for doubtful accounts. With good internal control and an easy way to gather audit data, the company can create financial reports promptly and publish them on time. This is in line with research conducted by Novitasari et al. (2021), proving that liquidity has a positive effect on the timeliness of submitting financial reports. Meanwhile, Carolina & Tobing (2019) state that Liquidity does not affect financial report timeliness.

The third variable that is expected to affect the timeliness of financial report submission is leverage. According to Steffani & Trisnawati (2020), "leverage is a reflection of the capital structure of a company". In this study, leverage is proxied by the Debt to Equity Ratio (DER). DER compares debt utilization to firm equity. Lower DER shows that equity funds company’s operations more than debt. This shows that the company's debt is modest and its risk of missing principal and interest payments is low. The minimal probability of nonpayment shows the corporation can avoid financial hazards. This reduces the risk of misstatement because a small company debt balance reduces the population of debt accounts, which reduces the sample of debt accounts to be confirmed and shortens the time to collect audit evidence, such as vouching. Thus, auditors will work faster and financial reports would be released sooner. This matches the result of Handayani et al. (2021), who concluded that leverage negatively affects the timeliness of financial report submission. On the other hand, Diliasmara & Nadirsyah (2019) shows that leverage has no effect on the timeliness of financial report submission.

Institutional ownership is the fourth factor affecting financial report timeliness. The percentage of a company's shares owned by government, insurance, and other organizations. More institutional ownership means most corporate ownership is institutional. So institutional ownership can supervise corporate activities, institutional parties can influence management decisions and govern internal control to monitor enterprises. If the institutional party is the firm's parent company, it may urge the company to adopt its internal controls to improve its internal control. The parent company's financial statements and subsidiaries audited at the same Public Accounting Firm will speed up document collecting for the audit. So the audit may be completed swiftly and the financial statements issued on schedule. This is in line with research conducted by Verawati (2018), proving that institutional ownership positively affects the timeliness of submitting financial reports. Meanwhile, research by Santika & Nuswandari (2021) found proof that institutional ownership has no effect on the timely submission of financial reports.

The authors observed evidence gap in previous studies, hence the study is conducted. This study intends to contribute to literature by adding the newest evidence regarding factors affecting timeliness in financial reports, especially in consumer goods subsector, which is one of the most important subsector in Indonesia. However, due to the limited data and the use of only quantitative method, the result in this study might be hard to be generalized within other sector. Future research might combine quantitative method done in this study and complement it with interviews to gain in depth explanation from internal stakeholders such as management.

1.2 Literature Reviews and Hypotheses

1.2.1 Signal Theory

According to Ghozali (Ghozali, 2020), "signal theory explains the actions taken by signalers to influence the behavior of signal recipients. In general, a signal is defined as a signal made by the company (manager) to outsiders (investors)". According to Godfrey et al. (2010), “signal theory explains that managers use accounts in financial statements to signal the future. When managers expect a growth rate in the future, they will signal it to investors."

1.2.2 Financial Report

"Financial reports are one of the main tools that can be used by companies to communicate financial information to external parties such as shareholders, creditors, suppliers, and others" (Kieso et al., 2018). According to (Ikatan Akuntan Indonesia, 2022) in PSAK 1, "The purpose of financial statements is to provide information about the financial position, financial performance, and cash flows of an entity that is useful for most users of financial statements in making economic decisions."

1.2.3 Audit

According to Arens et al. (2017), "auditing is a process of accumulating and evaluating evidence about information to determine and report the level of compatibility between information and established rules or criteria". According to IAPI (2022) in SA 500, "the auditor's objective is to design and perform audit procedures in such a way as to obtain sufficient and appropriate audit evidence to be able to draw adequate conclusions as the basis for the auditor's opinion."

1.2.4 Timeliness of Financial Report Submission

"Timeliness means making information available to decision-makers at the right time so that it can influence their decisions" (Ikatan Akuntan Indonesia, 2022). Meanwhile, according to Kieso et al. (2018), "timeliness means having information available to decision makers before it loses its capacity to influence decisions. By having relevant information available more quickly, it can increase its capacity to influence decisions, and lack of timeliness can rob information of its usefulness". "Timeliness means having information available for decision making before the information loses its ability to influence decisions. If information is not available when needed or available long after the event is reported, the report has no value for future actions, has no relevance and is not useful"(Juanda & Rachmasari, 2020).

Financial report submission timeliness will be measured using a dummy variable, a nominal scale with categories, with companies who submit on time given category 1 and those that don't given category 0. If the company's 2018 financial statements were submitted after 90 days, they were not on time. The company's financial statements for the 2019, 2020, and 2021 periods are considered on time if they are submitted no later than 2 (two) months from the predetermined deadline, a maximum of 150 days from the closing date of the financial statements book. If they are submitted after 150 days, they are not on time.

1.2.5 Profitability

According to Weygandt et al. (2019), "the profitability ratio measures the income or operational success of a company for a certain period of time". "Profitability reflects the company's ability to generate profits" (Mustika & Ferdila, 2021). "Profitability is an indicator of the company's success to be able to generate profits so that the higher the profitability, the higher the company's ability to generate profits for the company" (Valentina & Gayatri, 2018). According to Weygandt et al. (2019), "return on assets is a ratio to measure profitability generated using company assets". According to (Nurlen et al., 2021), "profitability is an indicator of the company's success to be able to generate profits so that the higher the profitability, the higher the company's ability to generate profits for the company, on the other hand, if the company experiences losses, it will cause delays in financial reports."

Based on research conducted by Sunarto et al. (2021) "profitability has a significant positive effect on the timeliness of financial reporting". Sambuaga & Santoso (2020) stated that companies with high profitability tends to publish their financial statements quicker. In contrast to the results of research according to Effendi (2019) which states that "profitability (ROA) has a negative effect on the timeliness of financial reporting" and according to Valentina & Gayatri

(2018) which states that "profitability has no effect on the timeliness of financial report submission."

Ha1 : Profitability proxied by Return on Asset (ROA) has a positive effect on the timeliness of submitting financial reports.

1.2.6 Liquidity

Novitasari et al. (2021) stated that "Liquidity is the company's ability to pay off short-term obligations with available current funds". "Liquidity ratios measure the short-term ability of the company to pay its maturing obligations and to meet unexpected needs for cash" (Weygandt & Kimmel, 2019). "Liquidity ratios focus on a company's ability to meet its daily operating expenses and pay its short-term bills as they come due" (Smart & Zutter, 2019). According to Kieso et al. (2018), "the current ratio measures the ability to pay short-term debt". "Current ratio is a widely used measure to evaluate a company's liquidity and ability to pay short-term debt" (Weygandt & Kimmel, 2019). "If the ratio of current assets to current debt is greater, it means that the higher the company's ability to cover its short-term obligations. Companies that have a high level of liquidity show good news for the company which will influence the company to submit its financial statements on time because it will make the market reaction positive to the company" (Aldrian Diliasmara, 2019).

According to Novitasari et al. (2021) and Krisyanti & Yuniarta (2021) "liquidity has a positive effect on the timeliness of submitting financial reports". In contrast to research according to Martha & Sari (2021) which states that "liquidity has a negative and significant effect on the timeliness of submitting company financial reports" and Carolina & Tobing (2019) which states that "the timeliness of submitting financial reports is not affected by liquidity."

Ha2: Liquidity proxied by Current Ratio (CR) has a positive effect on the timeliness of submitting financial reports.

1.2.7 Leverage

"The leverage ratio (also called the solvency ratio) looks at the mix of debt and equity financing a company uses to fund its activities. How much the company borrows and whether the company can repay its debt is a major concern for potential investors" (Smart & Zutter, 2019). According to Weygandt et al. (2019), "the solvency ratio measures the company's ability to survive over a long period of time. Creditors and long-term shareholders are particularly interested in the company's ability to pay the interest due and to repay the face value of the debt at maturity". "Companies with high leverage experience an increased risk of default on their loans, this ratio is very helpful in assessing stock risk exposure. A low or declining debt to equity ratio indicates lower risk" (Smart & Zutter, 2019). A company with high level of leverage reflects the high financial risk. High risk indicate that the company is experiencing financial difficulties (Novitasari et. al., 2021).

This is also supported by the results of research conducted by Handayani et al. (2021) which states that "leverage has a significant negative effect on the timeliness of financial reporting". This is different with Permatasari (2020) which states that "leverage has a positive effect on the timeliness of financial reporting" and Mustika & Ferdila (2021) which state that "leverage proxied by the debt to equity ratio has no effect on the timeliness of financial report submission."

Ha3: Leverage proxied by Debt to Equity Ratio (DER) has a negative effect on the timeliness of financial report submission.

1.2.8 Institusional Ownership

According to Yulianto et al. (2018), "institutional ownership is the proportion of shares owned by institutions at the end of the year as measured by percentage." According to Santika and Nuswandari (2021), "institutional ownership is share ownership that is part of an institution, company, or institution in both the financial and non-financial fields . According to Wicaksono (2021), "institutional ownership in a company encourages increased supervision to be more optimal for management performance because share ownership represents a source of power that can be used to support or otherwise against management performance." "Share ownership by the institution has the power to demand and require management to submit financial information immediately. Because financial reports that are submitted late will affect the economic decisions that users of this information will take" (Setiawati et al., 2021). The result of Harjanto and Gozali (2020) study mentions that higher institutional ownership will result in quicker audit process. This in turn will increase financial reports' timeliness.

According to research conducted by Verawati (2018) and Dufrisella & Utami (2020) proves that "institutional ownership has a positive effect on the timeliness of submitting financial reports." However, Santika & Nuswandari (2021) proves that no relationship between institutional ownership and the timeliness of submitting financial reports.

1.2.9 Research Model

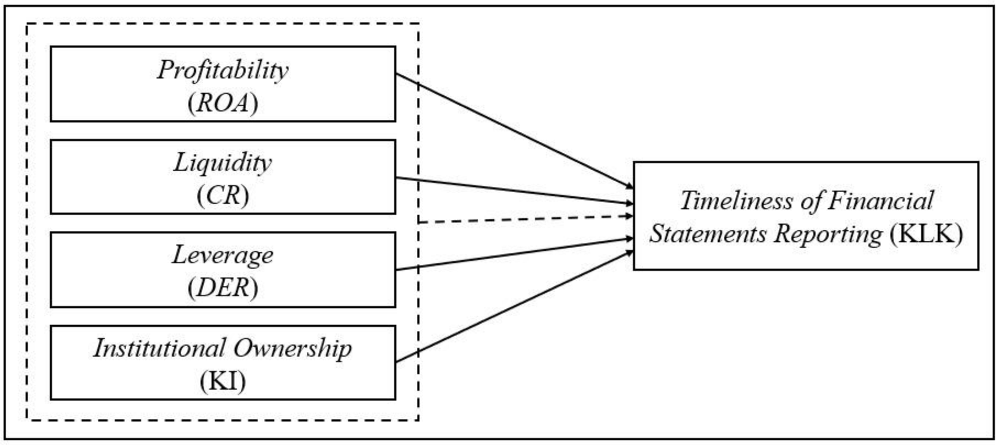

Figure 2. Model Research

2. METHODOLOGY AND DATA ANALYSIS

2.1 General Description of the Research Object

The present study examines the impact of profitability, liquidity, leverage, and institutional ownership on the promptness of financial report filing. The research subjects employed in this study encompass consumer goods firms, namely those listed on IDX)within the timeframe of 2018-2021. Additionally, these companies are mandated to have issued financial reports throughout the aforementioned period.

2.2 Research Method

This is a causal study. According to Sekaran and Bougie (2016), "Causal study is a research study conducted to establish cause-and-effect relationships among variables," namely "causal studies are research studies conducted to establish cause and effect relationships between variables."

2.3 Research Variables

2.3.1 Dependent Variable

The dependent variable used in the study is the timeliness of submitting financial reports, which is measured using a nominal scale. Ghozali (2021) states, "a nominal scale is a measurement scale that states the category, or group of a subject." The aspect of timeliness holds significant importance in the context of information presentation, as it entails the availability of information for decision-making purposes prior to its loss of influence on decisions. For financial statement information to possess utility, it is imperative that the information is timely, hence ensuring its relevance.

According to the criteria established for the 2018 financial statements, a company is considered to have submitted its financial statements in a timely manner if they are provided no later than the conclusion of the third month subsequent to the annual financial statements' date. Conversely, if the company submits its financial statements after the aforementioned three-month period, it will be deemed as untimely. According to the relaxation of the deadline for submitting financial reports in response to the Covid-19 pandemic, the financial statements for the periods of 2019, 2020, and 2021 are considered timely if they are submitted by the company no later than two months after the predetermined deadline. Conversely, if the company submits its financial statements beyond this two-month timeframe, they will be deemed untimely.

2.3.2 Independent Variable

1. Profitability

Profitability refers to the capacity of a corporation to create financial gains over a specific duration. Return on Asset can be formulated as follows: (Weygandt & Kimmel, 2019)

$$ROA = \frac{Net\ income}{Average\ total\ assets}$$

2. Liquidity

Liquidity refers to a company's capacity to meet its immediate financial obligations. The Current Ratio is utilized to assess a firm's capacity to fulfill its immediate financial obligations using its current or short-term assets. According to Weygandt et al. (2019), Current Ratio can be formulated as follows:

$$Current\ ratio\ = \frac{Current\ assets}{Current\ liabilities}$$

3. Leverage

Leverage refers to the extent to which a corporation utilizes debt or loan capital to facilitate its operational activities. DER is employed as a metric to assess the relative allocation of debt and equity inside a corporation for the purpose of facilitating its operational endeavors. According to Arens et al. (2017) "Debt to Equity Ratio can be formulated as follows":

$$DER\ = \frac{Total\ Liabilities}{Total\ Equity}$$

4. Institutional Ownership

Institutional ownership refers to the relative ownership percentage of a company's shares held by entities such as governmental bodies, banks, insurance companies, corporations, and foreign investors. According to Wicaksono (2021), the formula for calculating institutional ownership is as follows:

$$KI = \frac{Total\ Institutional\ Share\ Ownership}{Total\ Number\ of\ Outstanding\ Share} x\ 100\%$$

2.4 Data Collection Technique

The data included in this study is derived from secondary sources. Secondary data refers to information that has been collected by individuals or organizations for reasons unrelated to the specific study aims at hand. Secondary data sources commonly utilized in research include statistics, government publications, published or unpublished information from both internal and external sources, corporate websites, and online resources. The audited financial statements of the Consumer Goods sector companies listed on IDX or the period of 2018-2021 constitute the secondary data utilized in this study.

2.5 Sampling Technique

The study's population comprises companies belonging to the Consumer Goods industry that were listed on the Indonesia Stock Exchange during the years 2018 and 2021. The employed sample approach is purposive sampling. The present sample procedure is constrained to specific types that possess the requisite information, either due to their exclusive possession of it or its alignment with several criteria established by the researcher.

2.6 Data Analysis Technique

The data analysis strategy employed in this study was the utilization of the statistical analysis method through the utilization of the SPSS 26 (Statistical Package for Social Sciences) software. The study conducted many statistical analyses, including descriptive statistics, overall fit model assessment, Nagelkerke's R Square calculation, Hosmer & Lemeshow Goodness of Fit Test, classification table generation, simultaneous significance test (Omnibus Test), and individual significant test (parameter estimation and interpretation).

3. RESULTS AND DISCUSSION

3.1 Research Object

The research object of this study is selected using criterias as follows:

Table 3. Sample Criteria

No	Sample Criteria	Number of Companies
1.	Consumer Goods sector companies that have been consecutively listed on the Indonesia Stock Exchange (IDX) during the 2018-2021 period.	47
2.	Companies that publish audited financial statements consecutively during the 2018-2021 period.	46
3.	Companies that have a book closing date as of December 31 consecutively during the 2018-2021 period.	46
4.	Companies that use Rupiah currency units in financial statements consecutively during the 2018-2021 period.	46
5.	Companies that have consecutive profits during the 2018-2021 period.	32
6.	Companies that do not have negative equity consecutively during the 2018-2021 period.	32
7.	Companies that have a consecutive number of institutional ownership in the financial statements during the 2018-2021 period.	30
8.	Companies that disclose the date of submission of financial statements consecutively during the 2018-2021 period.	25
Sample companies		25

3.2 Analysis and Discussion

3.2.1 Descriptive Statistic

The following is a table of descriptive statistical results:

Table 4. Descriptive Statistic Result

Descriptive Statistics

	N	Range	Minimum	Maximum	Mean	Std. Deviation
ROA	100	1,1021	,0005	1,1026	,131842	,1379320
CR	100	7,4364	,6141	8,0505	2,401622	1,5240951
DER	100	3,6749	,1499	3,8248	,812751	,6745790
KI	100	,7079	,2378	,9457	,730893	,1736535
Valid N (listwise)	100					

Out of a sample size of 100, it was found that 95 observations adhered to the prescribed deadline for submitting their financial reports. According to the descriptive statistics, the calculated mean for the Return on Assets (ROA) is 13.18%. This indicates that, on average, enterprises are able to earn a net income of 13.18% from the utilization of their assets. The calculated average of the current ratio (CR) is 2.40, indicating that the majority of enterprises own current assets that exceed their current liabilities. Many enterprises in the sample also exhibit a preference for utilizing equity rather than debt as a means of financing, as evidenced by the average debt-to-equity ratio (DER) of 81.28%. In the present context, it is seen that a significant proportion of ownership in the sampled companies is held by institutions, as evidenced by the mean KI value of 73.09%.

3.2.2 Assessing Model Fit

The following is a table of the model fit test results:

Table 5. Model Fit Overall Result

Iteration History[a,b,c]

Iteration		-2 Log likelihood	Coefficients Constant
Step 0	1	48,596	1,800
	2	40,516	2,555
	3	39,720	2,885
	4	39,703	2,943
	5	39,703	2,944
	6	39,703	2,944

a. Constant is included in the model.

b. Initial -2 Log Likelihood: 39,703

c. Estimation terminated at iteration number 6 because parameter estimates changed by less than ,001.

Iteration History[a,b,c,d]

Iteration		-2 Log likelihood	Coefficients				
			Constant	ROA	CR	DER	KI
Step 1	1	46,508	,768	-,617	,047	,232	1,111
	2	35,282	-,110	-1,625	,158	,773	2,667
	3	30,614	-2,457	-3,102	,484	2,320	4,323
	4	27,762	-5,834	-4,909	1,049	4,994	5,724
	5	26,832	-8,194	-6,539	1,453	7,151	6,809
	6	26,702	-9,260	-7,417	1,632	8,230	7,334
	7	26,699	-9,441	-7,580	1,662	8,425	7,424
	8	26,699	-9,445	-7,585	1,663	8,430	7,427
	9	26,699	-9,445	-7,585	1,663	8,430	7,427

a. Method: Enter

b. Constant is included in the model.

c. Initial -2 Log Likelihood: 39,703

d. Estimation terminated at iteration number 9 because parameter estimates changed by less than ,001.

The difference between Initial -2LogL (Block Number = 0) and Final -2LogL (Block Number = 1) is 13.004. Based on the biometric tables, the value of df = 4 is 2.776. Because the difference in decline between Initial -2LogL (Block Number = 0) and Final -2LogL (Block Number = 1) is greater when compared to the value obtained from biometric tables (13.004-2.776), the decline in -2LogL is declared significant.

3.2.3 Determination Coefficient

The following is a table of the results of the coefficient of determination test:

Table 6. Nagelkerke's Square Test Result

Model Summary

Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	26,699ᵃ	,122	,372

a. Estimation terminated at iteration number 9 because parameter estimates changed by less than ,001.

According to the findings presented in Table 6, the Nagelkerke's R Square value is determined to be 0.372. This value signifies that the independent variables, specifically Profitability (ROA), Liquidity (CR), Leverage (DER), and Institutional Ownership (KI), collectively account for 37.2% of the variation observed in the dependent variable, which is the timeliness of financial report submission (KLK). It is important to note that the remaining 62.8% of the variation is attributed to other variables that were not examined in the scope of this study.

3.2.4 Assessing the Feasibility of the Regression Model

The following is a table of the Hosmer & Lemeshow's Goodness of Fit Test results:

Table 7. Regression Model Fit Test Results

Hosmer and Lemeshow Test

Step	Chi-square	df	Sig.
1	2,416	8	,966

According to the findings presented in Table 7, it is evident that the regression model's feasibility has been assessed using the Hosmer & Lemeshow's Goodness of Fit Test. The obtained significance value for this test is 0.966, which surpasses the predetermined threshold of 0.05, indicating that the regression model is indeed feasible. This demonstrates the acceptability of the research model as it possesses the capability to accurately predict observed values and is deemed appropriate for subsequent analysis.

3.2.5 Classification Table

Table 8. Classification Table

Observed			Predicted: KLK — Tidak Tepat Waktu dalam Penyampaian Laporan Keuangan	Predicted: KLK — Tepat Waktu dalam Penyampaian Laporan Keuangan	Percentage Correct
Step 1	KLK	Tidak Tepat Waktu dalam Penyampaian Laporan Keuangan	1	4	20,0
		Tepat Waktu dalam Penyampaian Laporan Keuangan	0	95	100,0
	Overall Percentage				96,0

a. The cut value is ,500

According to the data presented in Table 8, it is evident that there are 95 companies predicted to submit their financial reports on time. Similarly, the actual observation results indicate that 95 companies indeed submitted their financial reports on time. Consequently, the accuracy of this model can be calculated as 95 out of 95, resulting in a perfect accuracy rate of 100%. Furthermore, the data indicates that there are five companies projected to be non-compliant with timely submission of financial reports, however the actual observation reveals just one company that is non-compliant. Consequently, the accuracy of this model may be calculated as

1 divided by 5, resulting in a 20% accuracy rate. In general, the prediction model demonstrates a 96% accuracy rate.

3.2.6 Simultaneous Significance Test (Omnibus Test)

Tabel 9. Simultaneous Significance Test Results

Omnibus Tests of Model Coefficients

		Chi-square	df	Sig.
Step 1	Step	13,004	4	,011
	Block	13,004	4	,011
	Model	13,004	4	,011

According to the data presented in Table 9, the simultaneous significant test reveals a Chi Square value of 13.004, indicating a significance level of 0.011. This significance level is found to be smaller than the conventional threshold of 0.05. It indicates that the independent factors, specifically ROA, CR, DER, and Institutional Ownership, collectively exert a statistically significant influence on the dependent variable, which is the timeliness of financial report.

3.2.7 Individual Significance Test (Parameter Estimation and Interpretation)

Table 10. Individual Significance Test Results

Variables in the Equation

		B	S.E.	Wald	df	Sig.	Exp(B)
Step 1[a]	ROA	-7,585	5,347	2,012	1	,156	,001
	CR	1,663	,864	3,703	1	,054	5,275
	DER	8,430	3,981	4,483	1	,034	4582,760
	KI	7,427	3,227	5,296	1	,021	1680,115
	Constant	-9,445	4,733	3,982	1	,046	,000

a. Variable(s) entered on step 1: ROA, CR, DER, KI.

Based on Table 10, ROA has a significance level of 0.156, greater than the significance level (α) of 0.05 so Ha_1 is rejected. This finding suggests that the return on assets (ROA) does not have a significant impact on the punctuality of financial report filing. This study's findings align with prior research by Valentina & Gayatri (2018) which state that "profitability has no effect on the timeliness of submitting financial reports". Furthermore, the Liquidity variable proxied by Current Ratio (CR) has a significance level of 0.054, so Ha_2 is rejected. This shows that CR has no effect on the timeliness of financial report submission. This is in line with the results of Carolina & Tobing's (2019) research which states that "the timeliness of submitting financial reports is not influenced by liquidity."

DER exhibits a significance level of 0.034. This significance level is found to be smaller than the predetermined threshold of 0.05, but positive. Consequently, the alternative hypothesis Ha_3 is rejected. This finding suggests that the implementation of DER does not have a detrimental impact on the punctuality of submitting financial reports. This study's findings align with the outcomes of previous research of Permatasari (2020) which states that "leverage has a positive effect on the timeliness of financial reporting". Furthermore, the Institutional Ownership variable significance value of 0.021, so Ha_4 is accepted. This shows that Institutional Ownership has a significant positive effect on the timeliness of financial report submission. This matches the research of Verawati (2018) and Dufrisella & Utami (2020) proving that "institutional ownership has a positive effect on the timeliness of submitting financial reports."

4. CONCLUSION AND RECOMMENDATION

4.1 Conclusion

The conclusion of this research is:

1. Profitability proxied by Return On Assets (ROA) has no significant effect on the Timeliness of Submitting Financial Statements (KLK).
2. Liquidity proxied by Current Ratio (CR) has no significant effect on the Timeliness of Submitting Financial Statements (KLK).
3. Leverage proxied by Debt to Equity Ratio (DER) has a significant positive effect on the Timeliness of Submitting Financial Statements (KLK).
4. Institutional Ownership has a significant positive effect on the Timeliness of Submitting Financial Statements (KLK).

4.2 Limitation

The limitation of this research is:

1. The study focused on Consumer Goods sector businesses that were listed on the Indonesia Stock Exchange (IDX) between 2018 and 2021. The researchers employed purposive sampling to choose the objects for analysis.
2. The explanatory power of the variables Profitability, Liquidity, Leverage, and Institutional Ownership is limited to 37.2% in relation to the dependent variable, which is the Timeliness of Submitting Financial Statements.
3. The Indonesia Stock Exchange (IDX) website does not provide certain details regarding the submission dates of financial reports in the years 2018 and 2019.

4.3 Recommendation

The recommendation from this research is:

1. Incorporating research periods and diversifying the range of research items beyond the Consumer Goods industry. Future research might also combine qualitative method in order to gain more insight regarding the timeliness of financial reports from internal stakeholders. Another theory, such as legitimacy theory can be used in theoretical framework to gain another point of views regarding timeliness of financial statements.
2. Incorporating additional independent factors, namely Company Size and Net Profit Margin, which are anticipated to have an impact on the promptness of financial report filing.
3. Additional research is required to obtain information regarding the specific dates on which financial reports are submitted.

4.4 Research Implication

This study demonstrates that there exists a notable positive correlation between Institutional Ownership and the Timeliness of Submitting Financial Statements. This observation demonstrates a positive correlation between institutional ownership and the level of oversight exerted on corporate operations. This particular mode of supervision bears resemblance to the management of internal controls within a corporation, with the aim of enhancing effectiveness. One instance occurs when the institutional party assumes the role of the parent company for the company, hence prompting the implementation of internal controls by the parent company. Furthermore, by having both the financial statements of the parent business and its subsidiaries audited by the same Public Accounting Firm, the efficiency of the audit process in terms of document collection would be enhanced in order to expedite the audit process and ensure timely issuance of financial statements.

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THE DETERMINANTS OF MALUS ON REGIONAL DEVELOPMENT BANK IN INDONESIA

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Abstract— This study is based on the Indonesian Financial Service Authority since 2015 regulates that banks must have a policy to defer, or to clawback, or combination of both the variable compensation paid to bank's executive. Since the Indonesian Financial Authority allows banks to choose their compensation scheme, this study is to investigate the factors that influence the choice of the policy. Our study is among few studies that investigate this area because the regulation was enacted in 2017. Data are collected from Regional Development Bank in Indonesia that report their compensation policy since 2017 to 2019. We test financial and nonfinancial factors that may determine the choice of compensation policy. Banks with lower net interest margin tend not to choose malus. The similar conclusion is also given by the variable board of commissioner's tenure. However, commissioner's remuneration suggests a positive relationship with the propensity to choose malus other than other type of compensation policies. We find that net interest margin, board of commissioners tenure, and remuneration of executives are related to choice of clawback or malus. Future researchers may focus on the effect of corporate governance related to local governments-owned banks and remuneration provisions.

Keywords: Clawback; Compensation; Corporate Governance; Holdback; Malus

1. INTRODUCTION

1.1 Background

Studies such as Chou and Buchdadi (2018) and Harymawan et al. (2020) concluded that compensation has a relationship with performance. The provision of benefits that satisfy executives can improve their performance in carrying out their duties. Chou and Buchdadi (2018) conducted study on listed banks in Indonesia capital market. They found that executive compensation has an effect on bank performance. The study is supported by Harymawan et al. (2020), who posits that remuneration has a positive and significant relationship with firm performance in Indonesia. It can be concluded that providing remuneration in accordance with what is expected by the employees may improve their performance.

Based on Financial Services Authority Regulation No. 45/POJK.03/2015, variable remuneration may be given to bank employees. The remuneration is related to performance and risk of the bank, such as the provision of bonuses. In order to anticipate the risks that may occur in banks, banks are obliged to determine the parties who are material risk takers, as well as defer the payment of variable remuneration to the material risk takers (FSA Regulation No. 45 of 2015 article 22 and article 23). The policy for deferred remuneration to the board of commissioners, executives, and other bank employees is provided in order to reduce the risk that occurs in the bank. Malus is a method of deferred variable remuneration payment that can be used by banks. The application of malus in the payment of variable remuneration is carried out so that in improving performance, the commissioners and other employees still consider the risk in making decisions. Risky decisions will affect the variable remuneration they will receive.

Gillan and Nguyen (2018) state that the company has more control over the holdback. The scheme is different from malus or clawback, since this scheme urges bank to defer compensation until sometime in the future. Therefore, to deter employees to pose a risk to the company, their compensation is deferred. In addition, their research shows that companies use deferred compensation as a contract option if the CEO leaves the company. Executive compensation is paid less by the company if the executive leaves the company without a good reason on a contract basis. Compensation payment that is deferred by using holdback or malus is conducted to reduce the risk, if executives or other employees leave for a bad reason, such as committing fraud. Holdback compensation is given to commissioners and other employees based on the company's future financial performance, so that poor financial performance can reduce their compensation.

Gillan and Nguyen (2016) examine the importance of corporate governance and malus policy. They find that the application of malus to companies in the S&P 500 is influenced by the tenure of board of directors . Companies with a lower board of directors tenure are more likely to use malus. This tendency may be explained by the pressure put by external shareholder.

The application of malus is included in the policy on the implementation of good bank governance in Indonesia. According to FSA Regulation No. 45 of 2015, a good corporate governance is needed to in the provision of remuneration is carried out to maintain the continuity of the bank's business, by encouraging prudent decision making. The use of deferral of variable remuneration payments, such as malus, is one way for banks to maintain their business continuity. The regulation permits banks to choose malus or clawback or both policies on variable remuneration payments to material risk takers. Implied by this regulation is that the choice of compensation scheme may be unique to the bank.

Since the application of the FSA Regulation No. 45 of 2015 has been mandated since 2016, banks in Indonesia must have attached malus or clawback or combination of both into their compensation policy. Since the regulation permits bank to choose which scheme it wants to adopt, it is an interesting issue to investigate why bank choose a certain policy. Moreover, the regulation mandates all banks to adopt the regulation, therefore we investigate Regional Development Bank in Indonesia. Until today, study on malus or clawback is still few. Moreover, no previous study about this topic that uses Regional Development Bank (BPD) as samples. Therefore our study can be considered as the first study on malus policy determination in BPD in Indonesia.

1.2 Theoretical Review and Hypothesis Development

1.2.1 *Corporate Governance*

Corporate governance is related to how a company is regulated and the use of power (Lukviarman, 2016). Corporate governance can regulate the use of power by the parties associated with the company, so that the interests of each party can be maintained and there is no excessive use of power. As stated in Financial Services Authority Circular Letter No. 40 of 2016, improving bank governance is aimed at maintaining the health of the bank by preventing excessive risk taking by decision makers. Good corporate governance helps to better control and focus the company. FSA Regulation No. 45 of 2015 stated that encouraging prudent risk taking is the goal of improving governance in the provision of remuneration to maintain bank business continuity. The implementation of good and transparent governance can support a better company performance by providing information about company performance.

1.2.2 Executive Compensation

Most of the time the compensation relates to the effort the employees provided. Chalmers et al. (2019) posit that employees must have a contract with its company the compensation to be received. As a tool to increase employee's motivation, the financial reward must be related to the effort to accomplish the task. Dissatisfaction with the compensation scheme will trigger dysfunctional behaviour. Moreover, Eugster & Wagner (2020) provide evidence that compensation as a part of value-based management relates to better company's future performance, as measured by economic value added. Shields et al. (2016) explain that there are three main types of financial rewards, i.e. base pay, performance-related pay, and direct benefits.

Shields et al. (2016, p. 15) explain base pay as a basic component of remuneration and can be increased by increasing the promotion hierarchy based on seniority of the job's salary value. Performance pay refers to incentives given to employees based on their individual or collective performance. Incentives are given to employees based on their past performance in strengthening and improving future performance. The provision of performance pay varies according to the measurement and assessment of the level of performance, where performance has a risky nature, is not fixed or guaranteed. Direct benefits are effectively bonuses on top of base pay. Direct benefits are included in financial rewards, such as employer-funded superannuation, fringe benefits, such as employer-funded health care, life insurance, then the provision of a company car, and others.

1.2.3 Remuneration

Financial Services Authority Regulation No. 45/POJK.03/2015 explains that remuneration is a form of compensation that is determined and given to the managers, board of commissioners, or other eemployees, both fixed and variable in terms of their duties, powers, and responsibilities. Fixed remuneration is compensation that is not related to performance and risks, such as basic salary, facilities, and allowances. Meanwhile, variable remuneration is remuneration related to performance and risk, such as bonuses or other forms of bonuses. In determining the provision of variable remuneration, bank determines the method of measuring performance and types of risk according to the scale and complexity of the bank's business activities.

FSA Regulation No. 45 of 2015 defines malus as "a policy that allows Bank, based on certain criteria, to postpone payments, in part or entirety, of variable remuneration". Therefore, this is a policy that can be used by banks to defer the payment of variable remuneration to an employee. To be able to hold back the variable compensation, bank will set some criteria. The regulation itself defines that the deferment is applied to employee who is characterized as material risk takers. The material risk taker is someone in the bank that his/her decision may affect bank's risk profile and may receive significant amount of compensation.

1.2.4 Hypothesis Development

Freeman (2017) implies that executive compensation must be aligned with value creation for stakeholders. Executive has an important position in value creation in a business enterprise. He/she manages the whole company, orchestrating all resources for the sake of all stakeholders, not only the stockholders. Since resources are key determinant to output or performance, the output or performance itself is an important factor to remuneration determination.

Edmans et al. (2017) assert that an incentive scheme builds some motives to manipulate performance metric. They argue that an incentive that measure performance only at a point in time will create person with short term vision. On the other hand, an incentive that has long term characteristics will drive people to implement long term strategy. In this case, manager whose performance measures short term performance will be motivated to manipulate profit for his/her own purpose. They posit that, the same manager will be motivated to design long term strategies if his/her performance is measured by appropriate long term performance metrics.

Kroos et al. (2018) study the design of chief financial officer (CFO) bonus plan in relation to the clawback policies made. The CFO is responsible to prepare and file the company's financial report. He/she must also maintain the quality of internal control so that financial report free from material mistakes. Clawback is seen to increase personal misreporting cost because the previously awarded compensation may be taken back should there is an incident of misreporting or fraud. They find evidence that clawback area associated with greater CFO bonus incentives.

Similar conclusion on the effect of the adoption of clawback scheme is made by Kubick et al. (2020). They provide evidence suggesting that managers reduce income tax accrual to increase earnings after the adoption of clawback provision. This result implies that managers do find ways to tackle the possibility of compensation decrease. In this case, it is the variable remuneration that concerns them.

Allena and Thompson (2019) find the effect of using the variable pay on leverage. They conducted the study to examine the relationship between risk of layoffs, salary structure, and leverage. It shows that companies use variable payments to reduce operating leverage in increasing the amount of subsidized debt they can receive. Grabner and Martin (2021) also found that providing incentives based on individual performance have an effect in encouraging employee efforts. Their research concluded significant results from individual incentives to performance. Besides, the difference in pay has an effect on the relationship between incentives and performance.

Abdalkrim (2019) conducted a study to examine the relation between CEO compensation and organizational performance and the effect of corporate governance mechanisms on this relation. He obtained a positive relationship between CEO compensation and company performance such as ROA, ROE, and Tobin's Q, and also found that corporate governance have a positive and significant effect on the relation between CEO compensation and performance.

Hodge and Winn (2012) found that executives did not make risky reporting choices after restatement, whether the compensation contract contained a clawback or holdback clause. Relatively conservative executives, who are included in a clawback or holdback clause, reduce the risk to the least amount of their reporting choices. Then, they also show that holdback clauses are easier to implement and tend to encourage executives to choose reporting options that are less risky more effectively.

Rayhan (2020) conducted a study to examine how the influence of corporate governance and corporate risk taking regarding a company's tendency to choose malus as an executive compensation policy. He found that corporate governance, as measured by the independent board of commissioners and the number of board of commissioners meetings, had a negative influence on the tendency of choosing malus. In addition, the company's risk taking behaviour have an affect on the company to prefer malus as an executive compensation policy.

Gillan and Nguyen (2018) describe holdbacks as deferred compensation that has been accrued, but the compensation has not yet been paid to executives. This study found that 70% of the sample from S&P 500 firms have used holdbacks or malus. The use of holdbacks has been widely used by companies in solving problems that have occurred, such as the occurrence of financial errors and in financial reports. Holdback or malus is one of the policies related to remuneration. The use of malus in variable remuneration payments is used by the company to anticipate risks that occur or that may occur within the company.

Previous studies imply that firm's performance may influence the decision whether to choose malus or other schemes. Moreover, as predicted by agency theory, corporate governance mechanism may also affect the decision. Therefore, we propose our hypothesis as follows.

Ha: Financial performance and corporate governance may affect the likelihood of banks to choose malus or clawback.

2. RESEARCH METHOD

This research is to determine the determinants of malus on Regional Development Bank (BPD) in Indonesia. The population was 26 banks, but the final samples were 25 Regional Development Banks (BPDs). One sample out of 26 BPDs cannot be included into the analysis because of incomplete data on variables studied. Data on remuneration scheme, corporate governance structure and practices, and on financial data are collected from annual reports of Regional Development Bank (BPD) in Indonesia, from 2017 to 2019.

The dependent variable is the remuneration provision chosen by sample. If a BPD adopts malus in a year, we label it as 1 and 0 if otherwise. We test the relationship of thirteen indicators related to bank performance and corporate governance to the remuneration scheme chosen.

To test the hypothesis we apply logistic regression. The response variable in logistic regression is a binary random variable that takes values 1 and 0 (Ott and Longnecker, 2010, p. 701). The regression model used in this study is as follows.

$$M = \frac{\mathrm{Exp}(\beta_0 + \beta_1 LDR + \beta_2 CAR + \beta_3 ROE + \beta_4 BOPO + \beta_5 NIM + \beta_6 NPG + \beta_7 NPN + \beta_8 BCT + \beta_9 FBC + \beta_{10} RBC + \beta_{11} ET + \beta_{12} FE + \beta_{13} RE)}{1 + \mathrm{Exp}(\beta_0 + \beta_1 LDR + \beta_2 CAR + \beta_3 ROE + \beta_4 BOPO + \beta_5 NIM + \beta_6 NPG + \beta_7 NPN + \beta_8 BCT + \beta_9 FBC + \beta_{10} RBC + \beta_{11} ET + \beta_{12} FE + \beta_{13} RE)}$$

Whereas:

M	=	Malus
β 0	=	Coefficient
β n	=	Regression coefficient
LDR	=	Loan to deposit ratio
CAR	=	Capital adequacy ratio
ROE	=	Return on equity
BOPO	=	Ratio of operating expenses to operating income
NIM	=	Net interest income
NPG	=	Non-performing loans - Gross
NPN	=	Non-performing loans - Net
BCT	=	Board of commissioners' tenure
FBC	=	Female on board of commissioners
RBC	=	Remuneration of board of commissioners
ET	=	Executives' tenure
FE	=	Female executive
RE	=	Remuneration of executives

3. RESEARCH RESULTS AND DISCUSSION

3.1 Sampling and Samples

Our samples are Regional Development Banks in Indonesia. Out of 26 Regional Development Banks in Indonesia, the Regional Development Bank of Yogyakarta must be excluded from the sample because the incompleteness of data needed. Our samples are in Table

Table 1. Research Sample

No	Name of the Company
1	PT. Bank Aceh Syariah
2	PT. Bank Pembangunan Daerah Bali
3	PT. Bank Pembangunan Daerah Bengkulu
4	PT. Bank DKI
5	PT. Bank Pembangunan Daerah Jawa Barat dan Banten Tbk
6	PT. Bank Pembangunan Daerah Jambi
7	PT. Bank Pembangunan Daerah Jawa Tengah
8	PT. Bank Pembangunan Daerah Jawa Timur Tbk
9	PT. Bank Pembangunan Daerah Kalimantan Barat
10	PT. Bank Pembangunan Daerah Kalimantan Selatan
11	PT. Bank Pembangunan Daerah Kalimantan Tengah
12	PT. Bank Pembangunan Daerah Kalimantan Timur dan Kalimantan Utara
13	PT. Bank Pembangunan Daerah Lampung
14	PT. Bank Pembangunan Daerah Maluku dan Maluku Utara
15	PT. Bank Pembangunan Daerah Nusa Tenggara Barat Syariah
16	PT. Bank Pembangunan Daerah Nusa Tenggara Timur
17	PT. Bank Pembangunan Daerah Papua
18	PT. Bank Pembangunan Daerah Riau Kepri
19	PT. Bank Pembangunan Daerah Sulawesi Selatan & Sulawesi Barat
20	PT. Bank Pembangunan Daerah Sulawesi Tengah
21	PT. Bank Pembangunan Daerah Sulawesi Tenggara
22	PT. Bank Pembangunan Daerah Sulawesi Utara
23	PT. Bank Pembangunan Daerah Sumatera Barat
24	PT. Bank Pembangunan Daerah Sumatera Selatan dan Bangka Belitung
25	PT. Bank Pembangunan Daerah Sumatera Utara

3.2 Descriptive Data Analysis

Table 2. Descriptive Statistics (N = 75)

Variable	Minimum	Maximum	Mean	Std. Deviation
LDR	0.633	1.198	0.90901	0.128702
CAR	0.158	0.355	0.22459	0.041096
ROE	0.044	0.257	0.16569	0.052254
BOPO	0.665	0.944	0.77419	0.060886
NIM	0.050	0.109	0.06885	0.011641
NPG	0.003	0.147	0.02655	0.022110
NPN	0.000	0.038	0.00929	0.008992
BCT	0.417	7.667	3.16499	1.555585
FBC	0	2	0.20	0.465
RBC$^{(*)}$	610.133	37,184	8,715	6,283
ET	0.500	5.750	2.56897	1.124313
FE	0	3	0.57	0.756
RE$^{(*)}$	2,170	121,856	20,391	19,230

*: in million Rupiahs

Table 2 shows the sample statistics of 25 BPD from 2017-2019. The loan to deposit ratio (LDR) the minimum and maximum values are 0.633 and 1.198, with an average value of 0.909. This implies that, on average, the proportion of loan to deposits is 91%. The capital adequacy ratio (CAR) variable has a minimum value of 0.158 and a maximum value of 0.355. The average values of CAR as much as 22% implies that all banks maintain their capital as required by the relevant regulation. The return on equity (ROE) has the minimum value of 0.044 and the maximum value is 0.257. The average value of ROE indicates that banks have 17% profit based on their total equity.

The minimum value of the ratio of operating expenses to operating income (BOPO) is 0.665 and the maximum value is 0.944. The average value of BOPO is 0.774. We can conclude that, in average, banks' operating expense is dominated by interest expense. On the contrary, the net interest margin (NIM) variable has a minimum value of 0.05 with a maximum value of 0.109 and the average value is 0.069. The BOPO and NIM indicators imply that the spread between interest expense that bank pays and the interest revenue that bank earns is thin. The stiff competition between regional banks with national and international banks operated in Indonesia push the margin between interest expense and revenue to the minimum level. The samples show that the ratio of their gross non-performing loans to their total loans is 2.7%. Meanwhile, the average BPD has a net non-performing loan ratio of 0.9%.

The variable of tenure of the board of commissioners (BCT) has a minimum value of 0.417 year and a maximum value of 7.667 years, with an average value of 3.165 years. These results indicate that on average the board of commissioners of BPD have served for 3 years. The minimum value female on the board of commissioners (FBC) is 0, while the maximum value is 2. Thus, we can conclude that most of BPDs have zero female members of board of commissioners.

The variable of remuneration for the board of commissioners (RBC) indicates the minimum value is Rp610 millions and the maximum value is Rp37 billions with an average value of 8.7 billions. This discrepancy is quite wide since two of our samples are already public companies and it may cause their remuneration to be higher than other banks in our samples. Similar conclusions can also be found for executives' compensation (RE). The minimum value of is Rp2.1 billions and the maximum value is Rp121.9 billions with an average value of Rp20.4 billions.

Our samples indicate that the minimum value of executive tenure (ET) is 0.5 year and the maximum value is 5.75 years. This gives us an average value of 2.569 years. Some of our samples do not have a female executive (FE) but one bank has as many as three women.

3.3 Hypothesis Testing Result

Table 3 Hypothesis Test Results

Variable	B	S.E.	Wald	df	Sig.	Exp(B)
Constant	-60.916	29.839	4.168	1	0.041	0.000
LDR	0.633	1.198	0.90901	1	0.117	0.000
CAR	0.158	0.355	0.22459	1	0.101	0.000
ROE	0.044	0.257	0.16569	1	0.719	0.000
BOPO	0.665	0.944	0.77419	1	0.743	0.014
NIM	-116.502	52.857	4.858	1	0.028 **	0.000
NPG	0.003	0.147	0.02655	1	0.882	4416.504
NPN	0.000	0.038	0.00929	1	0.364	0.000
BCT	-0.592	0.285	4.305	1	0.038 **	0.553
FBC	0	2	0.20	1	0.432	0.325
RBC	8.785	10.570	9.84347	1	0.103	2491.526
ET	0.500	5.750	2.56897	1	0.197	0.395
FE	0	3	0.57	1	0.528	0.622

Variable	B	S.E.	Wald	df	Sig.		Exp(B)
RE	5.169	1.445	12.788	1	0.000	***	175.706
Model Chi-square							0.000
Nagelkerke R square							0.684

, * Indicates the significance at 5% and 1%, respectively.

In table 3, two variables show significance value at 5%, i.e. net interest margin and the board of commissioner's tenure. The net interest margin (NIM) indicates a negative relationship with the likelihood of bank to choose malus. The results indicate that higher net interest margin urges bank not to choose malus as its compensation scheme.

The board of commissioner's tenure (BCT) variable has a negative and statistically significance value. It indicates that the board of commissioner that has a longer service may incline to choose other remuneration scheme than malus or just malus without combining it with other scheme.

The other variable that has a statistically significant relationship with the decision to choose malus is the executive remuneration (RE). The variable shows a positive and statistically significant relationship with the choice of remuneration scheme. The positive sign indicates that bank tend to choose malus/clawback the higher the remunerations paid to its executives.

The other variables, i.e. loan to deposit ratio (LDR), capital adequacy ratio (CAR), return on equity (ROE), operating expenses to operating income (BOPO), non performing loans - gross (NPG), non performing loans - net (NPN), female on board of commissioners (FBC), remuneration of board of commissioners (RBC), executive tenure (ET), female executives (FE) do not imply a significant relationship with the tendency to choose a remuneration system.

4. CONCLUSION, SUGGESTIONS, AND LIMITATIONS

Our research is based the regulation that requires banks to implement a remuneration strategy to mitigate risk caused by bank employees. The regulation allows banks to choose between malus, clawback, or a combination of both. Since banks are allowed to choose their own remuneration provision, then the question that needs to be answered is the motives of a bank to choose a provision. The answer to this question is important both for the sake of practice and academic interests.

Stockholders expect managers to maximize their wealth. This objective can only be achieved if managers select policies that will result in higher return, but not the other way around. For example, when a bank's manager compensation is based loan approved, one can predict that the manager will be motivated to approve more loans. The more loans approved, the more compensation will be rewarded to him/her. However, encouraging manager to approve more loans brings more risk to the bank and its stockholders. Even though non-performing loan is normal and may be controllable to the bank, but minimizing credit risk is important. Our test shows that bank executives are likely to choose malus (clawback) compensation scheme over other scheme.

The manager choice is rational according to agency theory. This theory predicts that the decision may be related to the interest of the bank's risk takers. Since the compensation is based on something that he/she has control on, the managerial choice made will be based on their interest, i.e. his/her compensation.

We test variables that measure bank performance and corporate governance. Those financial variables are related to the measurement of bank's risk. The Indonesian's FSA

Regulation No. 18/2016, for example, requires bank to apply financial measures to estimate bank's risk.

Our test results show that among those financial measures, only net interest margin (NIM) that has a statistically significant relationship with bank's remuneration provision. The negative sign implies that bank avoids choosing malus/clawback and picking other method instead. The question is why bank avoid choosing a scheme that recovers the payment of variable compensation made to its employees? The answer may be related to the nature of a clawing back itself. Higher NIM brings higher profit, and, higher bonus. However, if the bank pays all the current year's bonus with the assumption that the income is based on a sound credit, while the subsequent fact reveals otherwise, then bank will have some problems in the future when the credit to go into default. By choosing malus or clawback provision, bank must recover some or all of past bonus payment related to the default credit. While, on the other hand, to secure bank's assets from such payment and to deter risky business decision, bank may just has to postpone some or all the bonus until the criteria are met.

The relationship of board of commissioners tenure with the tendency to choose a remuneration system also shows a negative and statistically significant coefficient. A board that has a shorter tenure tends to choose a compensation provision other than clawback. Our finding is similar to that of Gillan and Nguyen (2016). They conclude that, among others, firms that have higher executive replacement cost tend to adopt holdback scheme because holding back some compensation is easier than clawing back the compensation that has been paid. So, it is predictable that when a board of commissioner are new to their job, they tend to choose a compensation provision that is easier and less risky to the bank.

Malus tends to be adopted by banks that pay higher remuneration to executives of the Regional Development Bank (BPD). The positive and statistically significant coefficient indicates that the higher the remuneration provided to bank's executives, the more likely the executives to select malus/clawback remuneration scheme. This finding contradicts to that of the board of commissioners. Banks that pay more to its commissioners tend to choose other scheme other than malus.

The agency theory predicts the behaviour of managers toward the company, and, thus, creating agency problems. However, the theory also proposes ways to mitigate the problems (Pepper, 2018), that is through aligning shareholders' interest with that of managers'. Therefore, the idea behind compensation scheme may be explained by agency theory.

Following some major corporate scandals in the US, the US government, through Sarbanes-Oxley Act (SOX), requires firms to implement more prudent compensation scheme. The spirit of this regulation is to prevent managers from benefiting themselves at the expense of shareholders and other interested parties even tough companies in the US have been implemented clawback/malus before the SOX enacted (Gillan & Nguyen, 2016).

The Indonesian government also decided to take some actions to control managers' opportunistic behaviour that may cause some injury to shareholders and corporate's interests. The regulation that follows tries to mitigate risk-taking behaviour of bank managers. Because it is a regulated industry, then the effect of clawback and/or holdback compensation schemes on mitigating the opportunistic behaviour is an important issue.

This study was conducted to determine the determinants of malus in Regional Development Bank (BPD) in Indonesia. We test several indicators on bank performance and corporate governance. The indicators that have a significant influence are net interest margin (NIM), board of commissioners tenure (BCT), and remuneration of executives (RE). Our study may provide references on the factors that influence the use of malus as a variable remuneration payment for banks or BPD in Indonesia and provide additional information to BPD and other banks regarding policies on deferred variable remuneration.

This study also has several limitations. The regulation of malus and holdback wee first implemented in 2017, so our samples are limited. Moreover, as our samples are Regional Development Bank (BPD) and as locally operated banks and owned by the local governments, the remuneration provision choice may closely related to the quality of bank's corporate governance. We do not test the relation of compensation scheme to corporate governance practice.

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CORPORATE PROFITABILITY, AUDIT QUALITY & BOARD GENDER DIVERSITY: DOES IT INFLUENCE TAX AVOIDANCE?

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Abstract - This study aims to determine the effect of company profitability and audit quality on tax avoidance, where board gender diversity will be examined as a moderating variable. Several previous studies found inconsistent results regarding the influence of each variable on tax avoidance. In addition, this study extends earlier research, which highly suggests examining the audit quality. Further, in Indonesia, there is a demand for including women in the boardroom, while the last 2 years show that women's participation is decreasing. It indicates that the variables examined are interesting to further investigate. Purposive sampling was used as the sampling method, which generated 15 companies from mining, technology, transportation, and logistics listed on the Indonesia Stock Exchange for 2019–2021. The collected data will be analyzed using moderate regression analysis (MRA). The empirical results showed that both corporate profitability and audit quality positively influence tax avoidance. However, it was observed that board gender diversity does not moderate the relationship between company profitability and audit quality on tax avoidance. These results imply that a profitable company has a relatively high tendency to do tax avoidance, but the gender diversity in the boardroom is not sufficient to influence those relationships. Whatever the gender of the board of directors and certain traits embedded in each gender classification, once they come to the work field, those differences can be neglected because of their ability to work professionally.
Keywords: Audit Quality; Board Gender Diversity; Corporate Profitability; Tax Avoidance

1. INTRODUCTION

1.1 Research background

Taxes play a very important role in increasing government revenues. The government's efforts to optimize tax revenue have actually had an impact, especially since most tax collections in Indonesia use a self-assessment system, where individual and corporate taxpayers are obliged to calculate, pay, and report the amount of tax they must pay in accordance with applicable tax laws and regulations. This is evidenced by the government's inability to achieve tax revenue targets in the period 2019–2021, as presented in Table 1 below.

Table 1. Realization of Tax Revenue Targets (In Trillion Rupiah)

Years	Tax Revenue Target	Tax Revenue Realization	Realization Percentage
2017	1283,6	1147,5	89%
2018	1424,0	1315,9	92%
2019	1577,6	1332,1	84%
2020	1198,8	1072,1	89%
2021	1229,6	1277,1	104%

According to Table 1, the percentage of tax revenue increased every year, with the exception of a large reduction of 8% in tax revenue in 2018-2019. However, the share of actual tax revenue increased after that year. In 2017-2018, the percentage of actual tax revenue climbed by 3%, followed by a 5% increase in 2019-2020. Furthermore, the share of actual tax collections increased by 14% in 2020-2021. According to the tables presented above, the government has been successful in increasing actual tax revenue year after year. However, the administration failed to meet the established targets from 2017 to 2021. It indicates that tax revenue in Indonesia has not been maximized, despite the fact that Indonesia has a significant potential for tax collection due to its large population and business operations (Dewi & Noviari, 2016).
Responsibility for paying taxes must increase as a reflection of state obligations, which lie with the citizens themselves to fulfil these obligations (Mahanani et al., 2017). This is in accordance with the Self-Assessment system adopted in the Indonesian tax system, where the authority and taxpayers are responsible for determining, paying, and reporting their own taxes. Consequently, it is to be expected that taxpayer compliance is in accordance with the regulations, owing to the fact that if taxpayer non-compliance occurs, it might result in tax avoidance efforts (Subagiastra et al., 2016). Therefore, it has become an interesting and urgent issue to be examined further to analyze the factors that contribute to tax avoidance. When the factors can be traced, there will be an opportunity to prevent tax avoidance practices, which is expected to increase government revenue.
One of the possible determinants of tax avoidance is corporate profitability. Profitability is an inherent characteristic of companies and is considered an essential measure for economic decision-making (Selinšek et al., 2021). In accordance with Rahmayanti (2016), profitability reflects the level of effectiveness achieved by a company. The level of profitability is influenced by efficiency in paying corporate taxes; the more efficient tax governance in the company, the higher the expected profitability of the company.
Another determinant factor for tax avoidance is audit quality. As argued by Lee & Kao (2018), external auditors play an important supervisory role in tax avoidance, and external audits are essential instruments for shareholders to ensure financial transparency and credibility. Audit quality is defined as the auditor's performance in the auditing process, which is guided by the Public Accountant Professional Standards. When auditors perform higher-quality audits as part of their service to companies, companies are less likely to manipulate profits to pay taxes (Lestari & Nedya., 2019).
Another previous study by Ghaleb et al. (2021) argued that tax decisions in the company are influenced by the board of directors. As claimed by Erin et al. (2016), the board of directors is well known for ensuring the credibility of financial reporting procedures and the accuracy of the data used to calculate tax obligations, both of which are vital to generating revenue for the government and moving the country forward. Specifically, Alkurdi et al. (2023) stated that having a female board member is important and one of the most effective, and that women have

a key role to play in supporting initiatives that decrease financial risk and can have an influence on the reputational value of firms.

Based on results from research by the International Labor Organization (ILO) on 416 national and multinational companies in Indonesia in June 2020, prioritizing gender in the work environment has brought considerable benefits to a company's business processes. The findings of this investigation suggest that efforts to prioritize gender have significantly increased profits for companies that implement them. The data reveals that as many as 32% of companies experience an increase in profit of 5–10%; even 18% of companies experience an increase in profit of up to 15-20%. Unfortunately, in Indonesia, there are still very few companies with female directors. Table 2 shows the number of females in managerial positions for 2020-2022

Table 2. Number of Females in Management Positions

	2020	2021	2022
Indonesia	333.08	332.50	332.26

source: www.bps.go.id (accessed 02 June 2023)

The proportion of females in managerial positions has decreased significantly from 2020 to 2022. The Ministry of Female Empowerment and Child Protection said companies that involve females will increase profits significantly. However, this result is opposite from the government's expectation, where the female proportion decreased from year to year. Hence, the existence of female participation on board is interesting to investigate further. Currently, the research scope between corporate profitability and audit quality on tax avoidance is still ambiguous due to inconsistencies in previous research. It makes it possible to investigate deeper the relationship between corporate profitability, audit quality, and tax avoidance, which is moderated by a female board director.

Considering the previous context about the realization of tax revenue targets for the period 2017–2021, the government still failed to achieve the set targets. This indicates tax revenue in Indonesia has not been maximized. It is identified that the problem to be examined in this study is related to the practice of tax avoidance, which causes losses to the state. The more companies that engage in tax avoidance practice, the less profit there will be for the state. Due to the uncertainty of the research results that have been circulating, further research is needed by adding variables related to the correlation between company profitability and tax avoidance. It would be valuable to investigate additional governance factors, such as the correlation between audit quality and tax avoidance in Indonesia.

1.2 Literature Review

1.2.1 Agency Theory

Agency theory is an agreement within one or more company owners who act as principals who employ someone as a manager agent to carry out work with the intention of obtaining mutual benefits and doing some work in the owner's interests (Jensen & Meckling, 1976). However, the manager, as an agent, frequently uses the cash balance that they collect for their personal gain; they make judgments that are optimal based on the interests of the owner.

Furthermore, Eisenhardt (1989) inserted more details of agency theory. Depending on him, agency theory relies on three fundamental human presuppositions: self-interest; constrained rationality, or the ability to predict the future; and risk aversion, or the propensity to constantly avoid danger. In other words, given these fundamental traits, managers are more likely to act opportunistically and put their own interests over boosting the company's worth.

As opposed to that, the management (agent) of tax avoidance may insufficiently achieve the expected result for the shareholders. This is related to the risk: if the company is indicated to practice tax avoidance when a tax audit is carried out, the company must pay more due to the actions taken, such as the punishment by the company. Also, there is a risk that if the public finds out about this, it may damage the credibility of the business, and the influence will lower the company's worth. Here, the practice of tax avoidance can be viewed or perceived negatively by market participants (Wulandari et al., 2023).

Thus, allowing the appearance of agency problems. In the case of tax avoidance, the problem arises from the stakeholders, namely the management and company owners. Efforts to avoid taxes that are often carried out by management are based on personal interests. Tax avoidance is defined as an agreement made by management by manipulating financial reports (Sitardja, 2017). In connection with these problems, there is agency theory as an intermediary that functions as an average to solve all kinds of problems in companies regarding agency problems. Tax avoidance is a problem that proves the existence of problems in agencies related to the role of corporate management..

1.2.2 The Influence of Profitability towards Tax Avoidance

Profitability is an indicator of how successful a business is and is seen as a crucial determinant when making economic decisions. (Selinšek et al., 2021). As argued by Salehi and Salami (2020), profitability is one of the most significant elements that can affect tax avoidance. The company's profit, as measured by the profitability ratio, shows the performance of management. If the profitability ratio is high, it means that there is efficiency carried out by management, and these efficiency measures reduce the effective value of the tax rate. According to several studies by Alkurdi et al. (2021), Zhang et al. (2022), and Ariska et al. (2020), profitability is the most frequent explanation that can affect tax avoidance.

Depending on Tennant & Tracey (2019), when enterprises are more profitable, caution should be used when reducing tax avoidance. According to other research by Panda and Nanda (2020), to maintain their excellent reputation, businesses should not influence tax avoidance rates, which could improve their relationships with stakeholders. Furthermore, Fernández-Rodríguez et al. (2019) identified a correlation between profitability and tax avoidance levels, with more profitable businesses engaging in tax avoidance in order to retain their excellent standing in the market.

In this context, Devi et al. (2023) discovered there is a correlation between company profitability and tax avoidance, with increased firm profitability having a beneficial influence on the tax avoidance committed by the company. Likewise, Prasetya et al. (2022) also concluded that a highly profitable company is able to optimally manage assets to earn profits. Therefore, the revenue that the business generates will be managed as well as possible by maximizing expenses that can be deducted from taxable income, such as amortization and research and development expenses. This is consistent with the reality that income taxes would rise in proportion to company profits; therefore, businesses will likely engage in tax avoidance to prevent their tax burden from rising (Dewinta & Setiawan, 2016). According to the explanation provided above, the first hypothesis is stated.

H1: Profitability has positive effect on tax avoidance

1.2.3 The Influence of Audit Quality towards Tax Avoidance

Research by Wibowo and Saleh (2020) stated that audit quality is a possibility where the auditor can show an impression and bias towards reports, and then it will be reported to users of information. Qualified auditors have the ability and performance to maintain their reputation.

These actions are related to tax avoidance, which can also be affected by audit quality (Ayu et al., 2017). Financial statements are shown with transparency, which is a crucial component of a strong corporation in terms of taxation that is accountable to shareholders (Adeyani, 2016).
Audit quality can be seen not just from the public accounting firm itself, but also by looking at the opinions generated. Audit quality provides an overview of relationships that reflect how well an auditor can complete a job with established principles (Prihatini & Amin, 2022). The final result of the audit process is the auditor's report. In Salehi et al. (2020), companies that received qualified audit opinions from external auditors were shown to be more interested in tax avoidance than those that did not. Obviously, auditors won't provide unqualified opinion reports if they don't obtain accurate company realities.
The higher the audit quality, the lower the ETR level. The lower the ETR level, the higher the tax avoidance. This is consistent with studies by Wijaya (2023), which revealed that audit quality has a positive effect on tax avoidance in a positive direction, which indicates that the higher the audit quality, the more the company will commit to tax avoidance practices. This also strengthens that audit quality has a positive effect on tax avoidance (Marzuki et al., 2021) and Yudha et al., 2019). Audit quality focuses on the first two things based on the public accounting firm and the results of its opinion. When the results of many opinions show an unqualified opinion, this can be manipulated, does not emphasize transparency, and sometimes does not present the auditor's report with the actual situation. This can potentially lead to an increase in tax avoidance. Based on the findings above, the second hypothesis is
H2: Audit quality has a positive effect on tax avoidance.

1.2.4 The Influence of Board Gender Diversity in Moderating Relationship between Profitability towards Tax Avoidance

The board of directors and the board of commissioners, which both need to be able to pay more attention to disclosure when reporting to the corporation, are examples of the boardrooms where there is gender diversity. In order for a company to be able to continue operating in the long run, it is expected that it will enhance performance with improved corporate growth.
Considering women and men generally have different traits that are innate and inherent in the individual, comparisons of the percentage of women and men in the executive composition influence the judgments made. According to feminist philosophy, women are in the same position as men. The percentage of women in corporate senior positions is rising, and this has an effect on a range of business policies, including tax policy.
Abad et al. (2017) claim that women on the board of directors are recognized for having better moral standards. They are seen as a particularly effective technique for debating unethical activity, such as tax avoidance. They are more adept than men at collaborating on projects and exploring deeper difficulties. In addition, more managerial oversight and better decision-making can result from board gender diversity, which can help minimize agency problems (Barbera et al., 2020). As a result, having more women on the board will help to decrease conflicts of interest between management and shareholders, which may result in a decline in tax avoidance activities.
In this context, board gender diversity really does play a significant role in a company's decision-making, particularly when it comes to helping businesses achieve good governance in order to increase moral behavior, management efficiency and effectiveness, operations finance, and tax payment transparency (Jiang et al., 2021). As a result, the board of directors is able to develop company strategy while taking the interests of various stakeholders into consideration, resulting in improved financial performance and reputational growth (Orazalin, 2020). As a result, a lot of research supports the idea that women can improve a firm's performance, such

as profitability. Research conducted by Amri (2017) shows that profitability in the company is one of the bases for decisions made by the board of directors on tax avoidance. So, board gender diversity in companies can offer benefits such as additional knowledge, new ideas, and insights to solve problems, which can improve strategic planning. According to the explanation provided above, the third hypothesis is stated.
H3: Board gender diversity weaken the positive effect of profitability on tax avoidance

1.2.5 The Influence of Board Gender Diversity in Moderating Relationship between Audit Quality towards Tax Avoidance

Research by Amalia & Ferdiansyah (2019) says that transparency is a crucial aspect of an audit's quality. Companies typically employ skilled auditors to obtain high-quality audited financial reports. Jarboui et al. (2020) contend that the board's varied opinions affect the choice or employment of an external auditor. Women directors tend to engage excellent auditors to preserve their reputations, which increases the effectiveness of the board's monitoring function. Therefore, having a female board member increases the company's ability to select qualified auditors.
Research by Lai et al. (2017) demonstrated that businesses with a diverse range of genders on their boards tend to issue higher audit fees and hire better auditors. Again, findings imply that female-dominated boards of directors frequently require higher audit quality. Furthermore, Riguen et al. (2020) showed that boards of directors with female directors could demand more from their auditors and choose the best ones.
The results revealed by Anggelina et al. (2022), who indicate that companies with higher levels of gender diversity on their board of directors emphasize the connection between audit quality and tax avoidance. Therefore, the audit quality will also be improved if there are more women on the board of directors for the organization. The level of tax avoidance by the corporation increases with audit quality. Due to the findings provided above, the fourth hypothesis is
H4: Board gender diversity weaken the positive effect of audit quality and tax avoidance

2. RESEARH METHOD

2.1 Methodology

This study uses purposive sampling. Here, sampling will only include the data that offers relevant information as the sample. An annual report for the years 2019 through 2021 will be utilized as the source of the data, which will come from the Indonesia Stock Exchange (IDX). Regression analysis will be used to analyze the data. The criteria for choosing the samples are as follows:

1. Mining, technology, transportation and logistics firms listed on the IDX during the observation year.
2. Mining, technology, transportation and logistics firms that present financial statements in rupiah.
3. Mining, technology, transportation and logistics firms which not suffer any losses for the period 2019 -2021.
4. Mining, technology, transportation and logistics firms has completed data to be analyzed further.

2.2 Variables Measurement

2.2.1 Tax Avoidance

Tax avoidance was selected as dependent variable. A business transaction strategy called tax avoidance aims to lower the tax burden. This suggests a corporation may adopt a tax strategy like tax avoidance as a result of low levels of ETR. This research using the effective tax rate (ETR) as measurement. By utilizing these strategies, companies can reduce their ETR while also minimizing their taxable revenue (Jarboui et al., 2020). Taking into account the alternatives presented in the literature, this research followed Watson (2015) ETR definition, which is frequently used in accounting studies. ETR is formally as the ratio, which formulated as follows:

$$ETR = \frac{Tax\ Expense}{Pretax\ Income}$$

Where:

ETR	= Effective tax rate
Tax Expense	= Tax burden of firm
Pretax Income	= Income before tax

2.2.2 Profitability

A company's ability to earn a profit from its operational activities is known as profitability, and this crucial measurement is used to guide economic decision-making (Selinšek et al., 2021).Ratios are used to measure profitability, and there are different ratios that can be employed for this purpose. This study employed Tobin's Q to measure profitability (Alkurdi et al., 2021). More precisely, it is believed that profitability is the most difficult component to comprehend and evaluate when looking at a corporation. Profitability is a measurement used to assess a company's capacity to produce stable revenue(Tennant & Tracey, 2019). Tobin's Q is a useful tool for analyzing a company's performance from a long-term market perspective, showing the present value of future cash flows (Alkurdi et al., 2021). Tobin’s Q is calculated which formulated as follows:

$$CPROF = \frac{(Total\ Assets + Market\ Capitalization - Net\ Worth)}{Total\ Aseets}$$

2.2.3 Audit Quality

Audit quality defined as the financial statements will be free of mistakes, substantial misstatements, and violations. Many of the studies use Big Four KAPs as measurements which are considered to be able to carry out audits better than Non-Big Four KAPs because Big Four KAPs are more experienced and expert in assessing the fairness of financial statements, so the quality of audited financial statements is better than public accounting firms non-Big Four (Pandapotan et al 2023). A qualified opinion may not be issued until the auditor has expended a lot of time and effort in carrying out additional audit procedures requiring a longer audit completion period in order for the process to be judged that the auditor must have given his quality in the opinion. However, the opinion provided by the auditor can also present the quality of the results in assessing the fairness of the financial statements. In the study of audit quality indicator calculations in this research is a dummy variable, 1 if the unqualified opinion is obtained, 0 if otherwise (any qualification) that uses types of auditors' opinions on the financial statements (Chalu, 2021).

2.2.4 Board Gender Diversity

The moderating factor in this study is board gender diversity. Board gender diversity (BGD) is term used to describe the present of female board members. In order to determine this variable, this study assessed the present of female board members to all board members(Alkurdi et al., 2023).

2.2.5 Firm Size

Measured by the total amount of a company's assets that are available for use in its activities. Large total assets demonstrate a company's relative stability and ability to make profits, as well as the fact that it has excellent prospects for the future over a long period of time. (Barli, 2018).

$$\boxed{Firm\ Size = Ln(Total\ Asset)}$$

2.2.6 Leverage

Leverage, which is defined as the relationship between long-term debts and total assets, is also controlled for in the current study. Utilizing the leverage ratio, one may assess a company's capacity to fulfill both short-term and long-term financial obligations(Cristian Halim et al., 2022). If the level of corporate leverage is high, then the risk of failure of the company in repaying the loan is also high (Probokusumo et al., 2017).

$$\boxed{Leverage = \frac{Total\ Debt}{Total\ Equity}}$$

2.2.7 Liquidity

The ability of a corporation to fulfill its immediate obligations is referred to as liquidity. The liquidity ratio demonstrates the stability of the company's financial position and assesses the effectiveness of management in handling funds (Alkurdi et al., 2023). The current ratio, which calculates the proportion of current assets to current liabilities, shows how well the company can meet its short-term obligations.

$$\boxed{Liquidity = \frac{Current\ Asset}{Current\ Liability}}$$

2.2.8 Conservatism Accounting

Conservatism accounting is a crucial aspect of financial statement quality. Since, it increases the level of accuracy of the financial reports by enhancing managers' monitoring. The measurement of conservatism accounting can be done through the three methods, namely net asset measure, earning/accrual measure, and earning/stock return relation measures (Pujiati et al., 2013). This variable was measured net asset measure using a book to market ratio. which formulated as follows:

$$\boxed{Price\ Book\ Value = \frac{Market\ Price\ Per\ Share}{Book\ Value\ Per\ Share}}$$

$$\boxed{Price\ Book\ Value = \frac{Total\ Equity}{Number\ of\ Shares\ Outstanding}}$$

Moderated regression analysis (MRA) is used to measure the influence of profitability and audit quality on tax avoidance with board gender diversity as moderating variable. Moderated Regression Analysis or when there is an element of interaction (multiplication of two or more independent variables) in the regression equation, the interaction test is a specific case of multiple linear regression. Moderate analysis is used to estimate the value of the dependent variable (Y) based on the value of the independent variable (X) multiplied by the moderating variable (Z), as well as the estimated change in the dependent variable (Y) variable for each unit change in the independent variable (X) multiplied by the moderating variable (Z). This research is moderated by the board gender diversity as variable in determining how strongly or weekly independent and dependent variables are related. With following multiple linear regression comparison:

$$TA = \alpha + \beta_1.PROF + \beta_2.AUQuality + \beta_3.BGD + \beta_4.PROF * BGD + \beta_5 AUQuality * BGD + \beta_6.SIZE + \beta_7.LEV + \beta_8 LIQUI + \beta_9 CONSACC + \mathcal{E}$$

Where:

TA	: dependent (tax avoidance)
α	: Constant
$\beta_1.PROF$	: dependent coefficient of profitability
$\beta_2.AUQuality$	: dependent coefficient of audit quality
$\beta_3.BGD$	: moderated coefficient of board gender diversity
$\beta_4.PROF * BGD$	: moderated coefficient of profitability and board gender diversity
$\beta_5 AUQuality * BGD$	: moderated coefficient of audit quality and board gender diversity
$\beta_6.SIZE$	: dependent coefficient of firm size
$\beta_7.LEV$	: dependent coefficient of leverage
$\beta_8 LIQUI$	: dependent coefficient of liquidity
$\beta_9 CONSACC$	: dependent coefficient of conservatism accounting
Ɛ	: standard error

3. RESULT AND ANALYSIS

3.1 Descriptive Analysis

The descriptive analysis in this application includes a discussion of the variables of tax avoidance, profitability, audit quality, board gender diversity, conservatism in accounting, liquidity, leverage, and firm size.

Table 3. Descriptive Statistics

	N	Minimum	Maximum	Average	Std. Deviation
Profitability	45	0.0295	9.0174	1.6125	1.6151
Audit Quality	45	0.0000	1.0000	0.5333	0.5045
Tax Avoidance	45	0.0012	4.4146	0.4567	0.8421
Board Gender Diversity	45	0.0000	0.6000	0.1379	0.1660
Conservatism Accounting	45	0.2936	6.7381	2.1822	1.6641
Liquidity	45	0.5261	23.0208	2.5733	3.7198
Leverage	45	0.0092	4.6478	1.0558	0.8802
Firm Size	45	25.1324	33.2841	28.4175	1.6009
Valid N (listwise)	45				

Regarding the findings in the table above, it is explained that N is the number of samples used in this research. As a result of the analysis, the data is explained as follows:

a. Profitability

The table shows the distribution of data for the profitability variable. Profitability here is measured using Tobin's Q, which is a useful tool for evaluating business performance from a long-term market perspective and shows the present value of future cash flows (Alkurdi et al., 2021). Tobin's Q is measured by the sum of assets plus market capitalization and minus net worth. The data distribution shows a minimum value of 0.0295, a maximum value of 9.0174, an average value of 1.16125, and a standard deviation of 1.6151.

The results of these findings indicate that the higher the value of Tobin's Q, the stronger the control of the firm's assets due to the stable economic situation compared to the firm's competitors, as the average value of 1.6125 is close to the minimum of 0.0295. And looking at the standard deviation, which is 1.6151, it means that by looking at the average value closer to the standard deviation, it can be concluded that the variance of the data is relatively small.

b. Audit Quality

The table shows the distribution of data for audit quality variables. Here is a dummy variable: 1 if the audit report just includes an unqualified opinion, and 0 if the audit report contains other information or otherwise. The data distribution shows a minimum value of 0.00, a maximum value of 1.00, an average of 0.5333, and a standard deviation of 0.5045. These results show that the average audit report that has an unqualified opinion without any other matters is relatively small by looking at the close average and minimum values. While the variance of the data is relatively small, looking at the close average and standard deviation values.

c. Tax Avoidance

The table shows the distribution of data for the tax avoidance variable. The effective tax rate, which seeks to decrease the tax burden legally, can be computed by dividing the tax expense by pre-tax income and is used to measure variable tax avoidance as the dependent variable. The data distribution shows a minimum value of 0.0012, a maximum value of 4.4146, an average value of 0.4567, and a standard deviation of 1.660. The average value is closer to the maximum value, and the average value is bigger than the standard deviation value. It can be concluded that many companies practice tax avoidance, and the data variance is wide.

d. Board Gender Diversity

The distribution data for the board gender diversity variable is measured by the number of female board members divided by the total number of board members. The distribution shows a minimum value of 0.0000 and a maximum value of 0.6000, or 1 percent, led by women who are spread across companies in the three sectors. The average value is 0.1379, which means that the level of women in the company that is the sample in these findings is relatively small by looking at the closeness of the average value to the minimum. And the closeness average value with standard deviation is 0.1660, which means that the data variance is relatively small.

e. Conservatism Accounting

The table shows the distribution of data for the accounting conservatism variable as measured using a book-to-market ratio. The data distribution shows a minimum value of 0.2936, a maximum value of 6.7381, an average value of 2.1822, and a standard deviation of 1.6641. These findings show that the average value is closer to the maximum value so that the value of accounting conservatism can be used as a key component in the quality of financial reports, and the standard deviation also shows that the average value is bigger than the standard deviation, which means that the sample is relatively wide.

f. Liquidity

In the liquidity table, the data distribution shows that the variable of the current ratio, calculates the proportion of current assets to current liabilities, can be used to measure liquidity. The liquidity ratio functions by investors to determine which stocks to buy, with the assumption that if the ratio is good then the company can be said to be financially healthy. The data distribution shows minimum value of 0.5261, maximum value is 23.0208, average value is 2.5733 and a standard deviation of 3.7198. The data shows that the average value of is closer to the minimum value so that it can be seen that the ratio of good liquidity is relatively small because of this. Average while, the variance of the data is relatively small by looking at the closeness of the average value and standard deviation.

f. Leverage

In the leverage table, the distribution of data shows that this leverage variable is found by total debt divided by total equity. The data distribution presents a minimum value of 0.0092, a maximum value of 4.6478, an average value of 1.0558, and a standard deviation of 0.8802. The data shows that the average value is very close to the minimum value. Therefore, this demonstrates that companies do not want to take a chance by collecting large amounts of debt as long as the economy is not getting better. While the higher average value compared to the standard deviation value of 0.8802 indicates that the variance of the data is also generally good.

g. Firm Size

Firm size is measured by the total amount of a company's assets that are available for use in its operations and activities. The data distribution shows a minimum value of 25.1324, a maximum value of 33.2841, an average value of 28.4175, and a standard deviation of 1.6009. The distribution of the data indicates that the average value is closer to the maximum value, which suggests that businesses that were able to use the best assets would see a rise in revenue. It is safe to infer that a company's business operation is running effectively if it has a good total asset. This indicates that the average value and standard deviation are far enough apart that the data is relatively wide.

3.2 Classical Assumption Tests

3.2.1 Normality Test

A normality test determines if the data for the regression standard have a normal distribution. The Kolmogorov-Smirnov test is used in the normal assumption test. The following table contains the test results.

Table 4. Result of Normality Test

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		42
Normal Parameters[a,b]	Average	0.0000
	Std. Deviation	0.1377
Most Extreme Differences	Absolute	0.117
	Positive	0.117
	Negative	-0.076
Test Statistic		0.117
Asymp. Sig. (2-tailed)		0.168[c]

a. Test distribution is Normal.
b. Calculated from data.
c. Lilliefors Significance Correction.

In the normality test, from 45 samples, we get the outlier data, and the total data becomes 42 samples. As stated in the conclusion of the analysis, the asymptotic value Sig. (2-tailed) is 0.0168 > α (0.05), indicating that all of each variable has a significance level. higher than 0.05, indicating the residual data in this research are distributed normally.

3.2.2 Multicollinearity Test

Multicollinearity arise when there is a significant relation among the independent variable used to generate a linear regression exemplary. A good regression created if the variables does not contain a multicollinearity problem. Below data is the data presented:

Table 5. Multicollinearity Test

Model		Collinearity Statistics Tolerance	VIF
1	(Constant)		
	Profitability	0.803	1.245
	Audit Quality	0.849	1.178
	Board Gender Diversity	0.654	1.529
	Conservatism Accounting	0.736	1.358
	Liquidity	0.722	1.385
	Leverage	0.713	1.403
	Firm Size	0.661	1.512

a. Dependent Variable: Tax Avoidance

Established on the table, it can be analyzed the tested variable has a VIF value <10 or a tolerance value > 0.01, which indicates such there is no multicollinearity.

3.2.3 Autocorrelation Test

The goal of the autocorrelation test is to demonstrate varied correlation. The Durbin-Watson test (DW) is utilized in this study to determine whether the regression model has autocorrelation. The following is the outcome of the Durbin-Watson test:

Table 6. Result of Autocorrelation Test

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	0.526[a]	0.277	0.128	0.1512619	2.038

The total sample used is 42, and the independent variables are 7 (k = 7). Based on table 6, the Durbin-Watson value is 2.038, so the Durbin-Watson table obtains a dU value of 1.9113 and a dL value of 1.1492. The calculation for 4-d is 2,8087. Because (4-d) >dU So, it can be concluded that 1.9113 < 2.038<2.8087. Because (4-d) >dU, there is no negative autocorrelation detected.

3.2.4 Heteroscedasticity Test

The purpose of the heteroscedasticity test is to determine whether or not residuals for all of the data in the regression exemplary have a variance deviation. As can be observed, the heteroscedasticity is > 0.05. The Glejser test was utilized in this study to categorize the existence of heteroscedasticity by regressing the independent variables with the residual variables and to determine whether a heteroscedasticity issue exists.

Table 7. Result of Heteroscedasticity Test

Coefficients

Model		Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	-0.319	0.348		-0.916	0.366
	Profitability	-0.011	0.010	-0.201	-1.180	0.246
	Audit Quality	-0.040	0.031	-0.215	-1.297	0.204
	Board Gender Diversity	0.012	0.106	0.022	0.116	0.908
	Conservatism Accounting	0.013	0.010	0.242	1.361	0.182
	Liquidity	0.003	0.004	0.123	0.686	0.498
	Leverage	0.013	0.019	0.126	0.700	0.489
	Firm Size	0.014	0.011	0.231	1.235	0.225

Based on the data above, in the Glejser test, all independent variables (profitability, audit quality, board gender diversity, conservatism in accounting, liquidity, leverage, and firm size) have a significant value > 0.05, which indicates a lack of heteroscedasticity.

3.3 Regression Analysis

3.3.1 F-Test

The F test is used to find the magnitude of the difference in variance between two or several groups. Below is the decision of the test of F:

Table 8. Result of F-Test

Sum of Squares	df	Average Square	F	Sig.
0.301	9	0.033	23.538	.000[b]

As can be seen from the table 8, it can be analyzed that H_0 is not supported and H_1 is approved. Due to the significance value for independent and dependent variable is 0.000< 0.05. As a result, it is possible to conclude that the multiple regression method is possible and the independent interact with the dependent simultaneously. This conclude that there an influence on the variable significantly.

3.3.2 Multiple Linear Regression

When two or more independent variables are multiplied together in an interaction test, the multiple linear regression equation contains an element of interaction.

Table 1 Result of Multiple Linear Regression

Coefficients[a]

Model		Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	0.371	0.182		2.033	0.050
	Profitability	-0.029	0.012	-0.529	-2.436	**0.021**
	Audit Quality	-0.042	0.018	-0.231	-2.303	**0.028**
	Board Gender Diversity	-0.012	0.072	-0.021	-0.163	0.871
	Conservatism Accounting	0.000	0.004	0.003	0.034	0.973
	Liquidity	-0.010	0.002	-0.416	-5.490	**0.000**

Leverage	0.030	0.009	0.292	3.438	**0.002**
Firm Size	-0.001	0.006	-0.012	-0.120	0.905
Profitability*BGD	0.031	0.038	0.189	0.809	0.425
AuditQuality*BGD	-0.122	0.082	-0.185	-1.481	0.148

Explanation of multiple linear regression model is as follows
Tax Avoidance = 0.371 - 0.029 Profitability - 0.042 Audit Quality - 0.012 Board Gender Diversity + 0.000 Conservatism Accounting - 0.010 Liquidity + 0.030 Leverage - 0.001 Firm Size + 0.031 Profitability*Board Gender Diversity - 0.122 Audit Quality*Board Gender Diversity

Explanation:

a. The constant value has a coefficient of regression of 0.371, which implies that if the independent variable and the control variable are 0, then the amount of tax avoidance will increase by 37.1%.
b. The profitability is represented by a coefficient of regression of -0.029. According to the findings, the significance level is 0.021 from a significance level of 0.05 with a standard coefficient value beta coefficient of -0.0529, so H_0 is not supported and H_a is approved. Averaging profitability has a negative effect on ETR.
c. Audit quality has a coefficient of regression of -0.042. According to the findings, the significance level is 0.028 from a significance level of 0.05 with a standard coefficient value beta coefficient of -0.231. Conclude H_0 is not supported and H_a is approved, which conclude that audit quality have a negative effect on tax avoidance.
d. Board gender diversity has a coefficient of regression of -0.012. Based on the findings, the significance level is 0.871 from a significance level of 0.05 with a standard coefficient value beta coefficient of -0.021. H_0 is approved and H_a is not supported, which is why board gender diversity has no significant effect on tax avoidance.
e. Profitability is related to the board gender diversity, which has a coefficient of regression of 0.031. The significant value of board gender diversity in moderate profitability to tax avoidance (Y) is 0.425 < 0.05. H_0 is approved and H_a is not supported, which is why board gender diversity in the relationship profitability has no fallout on tax avoidance.
f. Audit quality is related to board gender diversity, with a coefficient of regression of -0.122. The significant value of board gender diversity in moderate audit quality to tax avoidance (Y) is 0.148 > 0.05, and H_0 is approved and $H_a$is not supported, which is why board gender diversity in the relationship of audit quality has no fallout on tax avoidance.
g. Conservatism accounting presents the findings at a significance level of 0.973 from a significance level of 0.05 with a standard coefficient value beta coefficient of 0.003. This H_0 is approved and H_a is not supported, which is why conservatism in accounting has no significant effect on tax avoidance.
h. Liquidity has a coefficient of regression of -0.010. Due to the findings, the significance level is 0.000 from a significance level of 0.05 with a standard coefficient value beta coefficient of -0.416. Conclude that H_0 is not supported and H_a is approved, which concludes that liquidity has a negative effect on tax avoidance.
i. Leverage is present with a coefficient of regression of 0.030. Based on the findings, the significance level is 0.002 from a significance level of 0.05 with a standard

coefficient value beta coefficient of 0.292. Conclude H_0 is not supported and H_a is approved conclude that leverage has a positive effect on tax avoidance.

j. Firm size has a coefficient of regression of -0.001. According to the findings, the significance level of 0.905 from a significance level of 0.05 with a standard coefficient value beta coefficient of -0.012 H_0 is approved and H_a is not supported, which concludes firm size no has a significant effect on tax avoidance.

4. DISCUSSION

4.1 The Influence of Profitability towards Tax Avoidance

Effective Tax Rate (ETR) is well used for this study as part of tax avoidance. From the results of Table 4.6, profitability has a significance value of $0.0021 \leq 0.05$, which indicates that profitability has an effect on ETR in the three sectors. In addition, profitability has a negative coefficient value of -2.436, so it can be interpreted that the profitability variable has a negative effect on ETR. In accordance with the theory of ETR and tax avoidance, which has an inverse relationship, the value of the profitability regression coefficient can be read at 2.436 for tax avoidance. This implies that profitability has a low ETR level. Furthermore, it can also be concluded that profitability has a positive effect on tax avoidance. So, a higher level of profitability will generate a lower ETR, indicating higher tax avoidance. From this framework, high profitability and high tax avoidance. Based on this explanation that profitability has positive effect on tax avoidance and **H_1 is supported**.

Companies that have high profits will have an influence on increasing the company's tax burden. The tax burden is a burden of the company and must be issued by the company. Therefore, companies that are able to generate large profits must also be prepared and managed as well as possible to pay the taxes that must be paid in accordance with their obligations. In this research, in line with Devi et al. (2023), Fernández-Rodríguez et al. (2019), and Dewinta et al. (2016), the relationship between profitability and tax avoidance was determined to be positive as a result of the correlation between tax avoidance and profitability levels and vice versa.

4.2 The Influence of Audit Quality towards Tax Avoidance

From these findings, audit quality has a significance value of $0.028 \geq 0.05$, with the addition of audit quality having a negative coefficient value of -2.303 on ETR. Hence it can be interpreted that the audit quality variable has a negative effect on ETR. In accordance with the theory of ETR and tax avoidance which has an inverse relationship, the value of the audit quality regression coefficient can be calculated at 2.303 on tax avoidance. This shows that audit quality has a low ETR level. Furthermore, it can be stated that profitability has a positive effect on tax avoidance. So that **H_2 is supported.**

According to the result that has been made, the higher the audit quality, the lower the ETR level. The lower ETR level indicates higher tax avoidance. Audit quality can also be measured by looking at the opinions generated by the auditors. The better the audit quality, the more opportunities or gaps there are to manipulate income statements and create loopholes within the company. Furthermore, even though the company uses a big non-public accounting firm to generate an unqualified opinion, the action taken in an effort to stop tax avoidance does not necessarily mean that the business does not engage in tax avoidance. Due to this, the auditor's task is only to examine whether the financial statements are presented fairly or not. Since the tax avoidance is done using loopholes in regulations and not breaking any rules, an audited financial report will show that there is no misstatement and that the company is fully obligated to comply with the standard. It can be interpreted that audit quality has a positive effect on tax avoidance, like studies by Wijaya (2023), Marzuki et al. (2021), and Yudha et al. (2019).

4.3 The Influence of Board Gender Diversity in Moderating Relationship between Profitability towards Tax Avoidance

Result shown that the influence of profitability on tax avoidance has not been moderated by board gender diversity as the significance value is above the critical value (0.425 ≥ 0.05) Established on the research, it appears that board gender diversity has not moderated the relationship between profitability and tax avoidance, so H_a is rejected. Board gender diversity is not able to weaken the effect of profitability on tax avoidance.

The company will continue to increase its profitability value and reduce its effective tax rate, both in the presence of female directors and as long as there is no audit from the tax authority regarding the tax payments. It can be said that the gender of the directors is not a barrier to contributing a professional attitude at work (Mala &Ardiyanto, 2021). Hence, whatever the gender of the director, they could work professionally without being distracted by the inherent traits embodied in each gender classification. In addition, it is also strengthened by the research of Zhang et al. (2022) that the presence of female directors on the board has no effect on decisions on tax avoidance practices due to the low level of gender diversification of directors, so they cannot influence tax avoidance decisions in companies.

4.4 The Influence of Board Gender Diversity in Moderating Relationship between Audit Quality towards Tax Avoidance

The result shown in the table shows that audit quality moderated by board gender diversity has a significance value of 0.229 ≥ 0.05 for tax avoidance. Based on the research, it appears that board gender diversity is not able to weaken the positive effect of audit quality and tax avoidance, and it is therefore rejected. This means that the effect of audit quality on corporate tax avoidance is not emphasized in companies that have high board gender diversity. Board gender diversity is a direct influence, not moderating the relationship between audit quality and tax avoidance. In actuality, women have a strong propensity to hire auditors of high quality to maintain the company's reputation. The percentage of women is lower and negligible compared to the percentage of men. This inadequacy of women directors stems from the low number of women serving at senior management levels. Besides, regarding the difference in traits that are embedded in women and men, it will not be sufficient to influence their work performance. It can be argued that they are able to work professionally in accordance with their job responsibilities. Therefore, whatever the gender in the boardroom, the board performance remains the same.

5. CONCLUSION

5.1 Conclusion

The scope of this study was to examine the influence of profitability and audit quality on tax avoidance, moderated by board gender diversity. This study employs a quantitative methodology that uses numerical data and statistical analysis to test hypotheses in the three sectors of mining, technology, and transportation and logistics for the 2019–2021 period. Thus, the following research can be concluded: first, the regression shows that profitability has a negative effect on tax avoidance. Companies that have high profits will have an influence on increasing the company's tax burden. Therefore, companies that are able to generate large profits must also be prepared and managed as well as possible to pay the taxes that must be paid in accordance with their obligations. This statement is supported by Riza (2022), Hidayah et al.

(2020), and Safitri & Muid (2020). The higher the profitability, the higher the operating profit the company produces at a low-cost level, so that the company will not practice tax avoidance on the company's net profit. This is because the company is capable and can manage its tax planning well so that tax payments are not too high. So, the higher the profit generated by the company, the less the policy of tax avoidance will be reduced because the company is able to pay taxes as an obligation.

Second, the final result of the audit has a negative effect on tax avoidance. Audit quality can also be measured based on the opinions generated by the auditors. The better the audit quality, the more opportunities or gaps there are to manipulate income statements and create loopholes within the company. This statement is supported by Kanagaretnam et al. (2016), Asadanie & Venusita (2020), and Khairunisa et al. (2017). Third, the final result of board gender diversity as moderating role of regression on the relations between profitability and tax avoidance implies that it has no effect. The company will continue to increase its profitability value with or without the presence of women on the board of directors. This is due to the fact that the duties of the board of directors in supervising and providing advice on the directors' policies for tax avoidance are not based on gender.

Forth, the final result of board gender diversity on the relations between audit quality and tax avoidance concludes that it has no effect. This is due to the fact that the appearance of women in the middle of the board of directors does not affect the quality of the audit. Even though, in actuality, women have a strong propensity to hire auditors of high quality to maintain the company's reputation (Lai et al., 2017). But the percentage of women is lower and negligible compared to the percentage of men in this research. Last, considering the explanation provided, it can be ensured that the practice of tax avoidance in the mining, technology, and transportation and logistics sectors is carried out by maximizing the potential provided by the appropriate tax regulations. For this reason, the factors that influence tax avoidance practice need to be monitored by the government, especially by tax authorities. The implication of this study is that if the directors and auditors of the company get attention, considering that they also decrease the amount of tax that must be paid but also focus on risk for the good reputation of the company,.

This study makes both theoretical and practical contributions. This paper contributes to the relatively limited literature on how characteristic audits affect tax avoidance. Finally, by conducting this research, we contribute to the ongoing discussion concerning the development of tax avoidance policies and practices. This research suggests that having both male and female directors who conduct business in the organization can still work professionally, and this can be an effective policy for the company to recruit employees regardless of gender. Furthermore, this study builds on and extends earlier studies by adding one that comes from audit characteristics, audit quality, as an independent variable, allowing the study to be more interesting to test other variables. Future research can expand this study by replacing the moderating variable with another possible factor, such as financial distress, earnings management, or corporate governance (audit committee, CEO expertise).

Practically, this study makes a number of contributions. Firstly, policymakers can utilize this study to understand how profitability fluctuates over time and how tax burdens are correlated with these changes. Additionally, the implementation of good corporate governance instruments suggests management needs to be given the authority to choose whether to pay taxes and to limit tax avoidance tactics on behalf of the company. Secondly, the government should review and improve the tax allowance regulations in order to increase tax revenue collection.

5.2 Limitation

The limitations of this research include: (1) researchers used a limited sample, namely only 14 companies and 3 years in the 2019–2021 period in the 3 sectors such as mining, technology, transportation, and logistics. (2) There are many variables that might affect tax avoidance, but this study only looks at them from the perspective of corporate profitability and audit quality, and (3) the data on the board shows that gender diversity for women directors is very low because many companies do not have at least one woman on the board of directors in all three sectors.

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Contoh:

Buku

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Hurt, R. L. (2008). *Accounting Information Systems*. New York: McGraw-Hill.

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Penulis Institusi

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