

Empirical Studies on Property and Real Estate Sector Companies Listed on the Indonesian Stock Exchange for the Period 2019–2022: Determining the Accuracy of Financial Reporting

Tatas Ridho Nugroho

Email : tatasridho.feb@um.ac.id

Departemen Akuntansi, Universitas Negeri Malang

Abstract

The objective of this study is to examine the impact of firm size, profitability, leverage, and institutional ownership on the promptness of financial reporting. This study employs secondary data sourced from real estate businesses that are publicly listed on the Indonesian Stock Exchange over the period spanning from 2019 to 2022. The study collected a total of 52 annual financial reports from 13 organizations between the years 2019 and 2022, using selective sampling. The present study employed logistic regression analysis with the aid of the Statistical Package for the Social Sciences (SPSS) software to analyze the data. The findings of the study indicated that there was no significant impact of firm size, profitability, and institutional ownership on the veracity of financial reporting.

Keywords: *Company Size, Profitability, Leverage, Institutional Ownership, Timeliness of Financial Statements.*

Abstrak

Penelitian ini bertujuan untuk menguji pengaruh ukuran perusahaan, profitabilitas, *leverage* dan kepemilikan institusional terhadap ketepatan waktu penyampaian laporan keuangan. Penelitian ini menggunakan data sekunder dari perusahaan properti dan real estate yang terdaftar di Bursa Efek Indonesia tahun 2019-2022. Sampel yang diperoleh dalam penelitian ini adalah sebanyak 13 perusahaan selama periode 2019-2022 dengan jumlah total sampel 52 laporan keuangan tahunan yang dipilih melalui *purposive sampling*. Metode analisis data yang digunakan dalam penelitian ini adalah regresi logistik menggunakan SPSS. Hasil penelitian menunjukkan bahwa Ukuran Perusahaan, Profitabilitas dan Kepemilikan Institusional tidak berpengaruh terhadap Ketepatan Waktu Penyampaian Laporan Keuangan. Sementara *Leverage* berpengaruh positif terhadap Ketepatan Waktu Penyampaian Laporan Keuangan.

Kata kunci: **Ukuran Perusahaan, Profitabilitas, Leverage, Kepemilikan Institusional, Ketepatan Waktu Laporan Keuangan.**

INTRODUCTION

With the increasing expansion of capital markets in contemporary business environments, there is an inevitable intensification of competition, particularly in the realm of information provision and acquisition during decision-making processes. The

financial report issued by companies upon becoming public is a significant information source within the investment industry operating in capital markets. The financial accounts provide a comprehensive overview of the annual performance of the organization. The timely presentation of financial statements can provide users with valuable financial information. The statement aligns with the qualitative attributes of valuable financial data as outlined by the PSAK. These attributes include relevance, faithful representation, comparability, verifiability, timeliness, and understandability. (IAI 2018)

The necessity of adhering to deadlines for the submission of financial statements is not solely derived from PSAK, specifically for publicly traded companies. Additional regulations pertaining to this matter have been established by the Financial Services Authority (OJK) in Regulation OJK No. 14/PJOK.04/2022, Article 7, para. 1, as well as the Indonesian Stock Exchange (BEI) in Directory Decree No. 00068/BEI/09-2019. Despite the presence of stringent restrictions pertaining to the adherence to filing deadlines for financial statements, it has been observed that a considerable number of public firms in Indonesia continue to contravene these regulations by submitting their annual financial reports after the designated date. Several of these entities are corporations operating within the real estate industry.

Based on a research of annual reports spanning from 2019 to 2021, as reported by liputan6.com, there exists a discernible inclination towards a rise in the quantity of organizations experiencing delays. The delay rate of financial statement submissions in 2020 shown a notable rise compared to the previous year, with a recorded rate of 7% as opposed to 4% in 2019. The prevalence of non-compliance with the submission of annual financial reports among registered issuers has exhibited a notable upward trend in the year 2021, with a significant 8% of such issuers failing to fulfill this regulatory requirement (Melani 2022).

The potential inference of a delay in the publication of financial statements is that there may exist an underlying issue with the financial statement itself, necessitating a lengthier period for its publication. The probability of negative comments about the company arising and subsequently influencing decision-making processes increases as the publication of the financial report is further delayed. The temporal aspect of financial reporting has the potential to impact the valuation of the financial statements.

According to the findings of prior research, a great number of factors have been explored; some of these elements have provided information that is consistent, while others have produced information that is inconsistent. The size of the corporation, profitability, leverage, and institutional ownership are all criteria that do not correlate with the end result.

The size of a corporation can be assessed using various metrics, one of which is the aggregate value of its assets. From the standpoint of total assets, a corporation that possesses a substantial amount of assets is classified as a large-scale enterprise. A

corporation possessing substantial total assets is regarded as having greater resources, so enabling it to be evaluated as more capable of timely submission of its annual report. Moreover, large firms will also attract significant public attention and face increased scrutiny from investors (Simamora, 2000).

Ferdina (2017) posits that a company exhibiting a high rate of profitability indicates its ability to earn substantial profits. This outcome is advantageous for the company, hence motivating it to adhere to timely submission of its financial report. According to Janros's (2018) study, a company characterized by high leverage demonstrates a significant dependence on loans or debt to fund its operational endeavors. This circumstance is deemed unfavorable and has the potential to impact the precision of financial reporting. Diliasmara (2019) posits that management is prone to postponing the release of financial reports that encompass unfavorable information.

When the institution has a greater number of shares in the company, it will be able to submit its annual report more quickly. The higher percentage of institutional ownership suggests that these types of investors have a greater ability to conduct greater supervision over the organization. Therefore, the bigger the institutional holding of the firm, the quicker the company will provide its annual report due to the oversight of institutional investors who will ensure that the report is filed on time when they require it. This is because institutional investors want to ensure that the report is accurate.

Therefore, the purpose of this study is to examine the impact of firm size, profitability, leverage, and institutional ownership on the timeliness of financial reporting.

LITERATURE

The size of the company, as measured by its total assets, indicates that it is a modest business. The company is larger if its assets are larger, and vice versa. The size of the assets is proportional to their size. In this research, the size of the company can be measured using the calculation of the total logarithmic value of assets (Rahma, 2019). Profitability is the ratio used to determine a company's ability to generate a profit, so the higher the profitability rate, the greater the company's ability to generate a profit. ROA is used to determine a business's profitability (Fahmi, 2016). Leverage indicates how much of a company's assets are financed by debt. This study uses the debt-to-equity ratio (DER) to measure the level of leverage. If the value of the DER increases, it can be presumed that the company's short-term profitability is at greater risk (Handayani, Danuta, and Nugraha 2021). Institutional ownership refers to the ownership of a company's shares by a body or institution. (Fadhli A 2020).

Samryn, M (2012) explains that when accounting information is required, it should be of high quality. Financial statements should be submitted in a timely manner, before the information contained in the statement loses its utility. The decision-making utility of timely information for users of financial statements is substantial. Each year,

the EIB issues an announcement stating that a company is considered to be late if it has not submitted its annual financial report within 90 days after the end of the fiscal year.

Hypothesis

The scale of the company, as measured by total assets, influences the timeliness of financial reporting; the more resources a company has, the more timely it can report its financial statements (Ferdina and Wirama 2017). Hypothesis 1 : The accuracy of the financial reporting is affected by the company's size.

Ferdina (2017) asserts that a firm with a high rate of profitability has the potential to make bigger earnings regardless, which is excellent news for the company and ensures that it will deliver its financial report on time. Hypothesis 2 : Profitability affects the timeliness of financial reporting.

Increased leverage is associated with heightened risk due to the potential inability of a corporation to fulfill its debt commitments, whether to external creditors or internal stakeholders. Diliasmara (2019) posits that there is a tendency for management to postpone the release of financial reports that include unfavorable information. Hypothesis 3: The utilization of leverage has an impact on the precision and reliability of financial reporting.

The sooner the company will submit its annual report, the more shares the institution owns. Investors have the authority and power within the company that will encourage them to conduct optimal oversight of the management of the company. Consequently, management is motivated to improve their performance (Wicaksono, 2021). Hypothesis 4: Institutional ownership has an impact on the timely submission of financial statements.

RESEARCH METHOD

Quantitative data in the form of numbers is used in research. Secondary data sources, such as books, papers, and statistics from the Indonesian Stock Exchange (BEI), were used to compile the data for this study. The technique of data collection for this study is documentation, or gathering, recording, and evaluating secondary data from audit financial reports of real estate and property companies that are made available by the BEI on their website, www.idx.co.id.

When research dependent variables are measured on a nominal scale with two dichotomous categories, data analysis techniques utilizing SPSS version 23 with a logistical regression analysis model are utilized. This search employs logistic regression analyses because the time-accuracy-dependent variable Financial Reporting is a dummy variable. The selection of samples utilized purposive sampling methods with research-specific criteria, yielding sample results of 52 data points from 13 organizations in the property and real estate sectors over four time periods. This study aims to determine the

influence of corporate size (X1), profitability (X2), leverage (X3) and institutional ownership (X4) on the accuracy of financial reporting. (Y).

FINDING & DISCUSS

Analysis Statistics Descriptive Variable Independent

Table. 1
Analysis Statistics Descriptive

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
X1_SIZE	52	23	32	27,69	2,532
X2_ROA	52	0,000	0,340	0,05554	0,066143
X3_DER	52	0,002	1,743	0,46146	0,404603
X4_KI	52	0,230	1,000	0,68629	0,260153
Valid N (listwise)	52				

Based on secondary data, 2023

The number of samples used was 52, according to the table above from the descriptive statistical analysis. The average value of the company size variable with the indicator Ln (total assets) is 27.69, and the standard deviation is 2,532. The average (mean) value of the ROA indicator for profitability is 0.555, and the standard deviation is 0.661. The mean value of leverage variables with DER indicators is 0.461, and the standard deviation is 0.404.

Financial Reporting Accuracy Frequency Description

Table. 2
Descriptions Frequency Accuracy Time Submission Financial Reporting

Y_TL					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	32	61,5	61,5	61,5
	1	20	38,5	38,5	100,0
	Total	52	100,0	100,0	

Based on secondary data, 2023.

The time-dependent variable of financial reporting accuracy is a fictitious variable, where 1 is assigned to a company that submits its financial statements on time and 0 is assigned to a company that delivers financial reports late or not on time. According to table 4.2, there were 20 samples of financial statements from companies that submitted their financial reports on time, or 38.5%.

Goodness of Fit Test

Table. 3
Goodness of Fit Test
Hosmer and Lameshow Test

Step	Chi-Square	Df	Sig.
1	4,729	8	0,786

Based on secondary data, 2023.

The above table demonstrates that the statistical value of the Hosmer and Lameshow Test is 4,729 with a significance probability value of 0.786, indicating a value greater than 0.05. Thus, it can be concluded that such values indicate that the logistical regression model used in this study was appropriate and deserving of further analysis.

Determination Coefficient Test (R²)

Tabel. 4
Determination Coefficient Test (R²)
Model Summary

Step	-2Loglikelihood	Cox & Snell R Square	Nagelkerke R Square
1	57,976 ^a	0,134	0,181

Based on secondary data, 2023.

The value of R Square for Nagelkerke is indicated in the table above as 0.544%. Consequently, the independent variable in this study can explain 54.4% of the dependent variable, while the remaining 45.6% can be explained by variables not included in the regression model.

Hypothesis Testing

Table. 5
Hypothesis Testing

		β	S.E.	Wald	df	Sig.	Exp(β)
Step 1^a	X1_SIZE	1,571	3,291	,228	1	,633	4,811
	X2_ROA	-0,152	,285	,284	1	,594	,859
	X3_DER	0,811	,415	3,826	1	,047	2,251
	X4_KI	1,490	,841	3,141	1	,076	4,437
	Constant	-4,622	10,872	,181	1	,671	,010

Based on secondary data, 2023

Hypothesis 1

The value of the company size variable as measured by Ln (total assets) is 0.63 ($0.63 > 0.05$). The value indicates that H1 is rejected and H0 is accepted, indicating that the magnitude of the company has no bearing on the timeliness of financial statement submission. Companies that are late in submitting their annual financial statements will be punished, regardless of their size.

Hypothesis 2

Using the Return on Asset (ROA) indicator, the profitability variable has a value of 0.59 ($0.59 > 0.05$). The value indicates that H1 is rejected and H0 is accepted, indicating that profitability has no bearing on the submission deadline for the financial report. In order to avoid sanctions imposed by regulatory policies, the company may focus solely on submitting financial statements at the time of financial reporting, without regard to whether or not it is making a profit.

Hypothesis 3

Using the Debt to Equity Ratio (DER) indicator, the leverage variable has a value of 0.04 ($0.04 > 0.05$). The value indicates that H1 is accepted and H0 is rejected, indicating that leverage influences the timing of financial statement submission. The greater a company's level of leverage, the greater its financial hazards. When a company's financial risk is high, the accuracy of its financial reporting tends to deteriorate, as the company will delay the submission of financial reports if they contain negative information that could damage its public image.

Hypothesis 4

The value of the institutional ownership variable is 0.07 ($0.07 > 0.05$). The value indicates that H1 is rejected and H0 is accepted, indicating that institutional ownership has no effect on the precision of financial reporting. Large stock ownership held by

institutions does not guarantee the performance of its supervisory functions in relation to the management performance of the company, because institutional holders do not feel ownership over the company and only expect a high rate of return on their investment.

CONCLUSION

Following is a conclusion that can be reached on the basis of the gathering and examination of the data that was produced: The accuracy of the submitted financial report is unaffected by the magnitude of the company being reported on. The use of ROA indicators to determine profitability does not have any effect on the accuracy of the timing of the filing of financial reports. The accuracy of the reporting of financial accounts can be impacted by the use of DER indicators as a measure of leverage. The timeliness with which financial statements must be submitted is unaffected by the ownership structure of an institution.

REFERENCES

- Diliasmara, Dimas Aldrian. 2019. "PENGARUH PROFITABILITAS , LIKUIDITAS , FINANCIAL LEVERAGE , DAN KEUANGAN PADA PERUSAHAAN MANUFAKTUR YANG TERDAFTAR DI BURSA EFEK INDONESIA PADA TAHUN 2013-2015." *Jurnal Ilmiah Mahasiswa Ekonomi Akuntansi (JIMEKA)* 4(2): 304–16.
- Fadhli A, M Nuryatno. 2020. "PERAN OPINI AUDIT SEBAGAI PEMODERASI PENGARUH PROFITABILITAS, UKURAN PERUSAHAAN, KEPEMILIKAN INSTITUSIONAL, DAN KOMITE AUDIT TERHADAP KETEPATAN WAKTU PELAPORAN KEUANGAN." *Jurnal Magister Akuntansi Trisakti* 7(1): 61–84.
- Fahmi, I. 2016. *Pengantar Manajemen Keuangan*. Alfabeta.
- Ferdina, Ni Wayang A., dan Dewa Gede Wirama. 2017. "Pengaruh Profitabilitas, Leverage, Likuiditas Dan Ukuran Perusahaan Pada Ketepatan Waktu Laporan Keuangan." *E-Jurnal Akuntansi Universitas Udayana* Volume 19: 2293–2318.
- Ferdina, Ni Wayan Ajeng, and Dewa Gede Wirama. 2017. "Pengaruh Profitabilitas, Leverage, Likuiditas Dan Ukuran Perusahaan Pada Ketepatan Waktu Laporan Keuangan." *E-Jurnal Akuntansi Univesitas Udayana* 19(3): 2293–2318.
- Handayani, Lilis, Krisnhoe Sukma Danuta, and Ginanjar Adi Nugraha. 2021. "Pengaruh Profitabilitas , Ukuran Perusahaan , Dan Leverage Terhadap Ketepatan Waktu Pelaporan Keuangan." *Eksis: Jurnal Ilmiah Ekonomi dan Bisnis* 12(1): 96–99.
- IAI. 2018. *Standar Akuntansi Keuangan*. Jakarta: Salemba Empat.
- Janrosli, Viola Syukurina E. 2018. "Analisis Pengaruh Leverage , Ukuran Perusahaan Dan Keuangan Pada Perusahaan Perbankan." *Jurnal Benefita* 3(2): 196–203.
- Melani, Agustina. 2022. "Daftar 68 Emiten Kena Denda Gara-Gara Belum Rilis Laporan Keuangan 2021." *liputan6*. <https://www.liputan6.com/saham/read/4980058/daftar-68-emiten-kena-denda-gara-gara-belum-rilis-laporan-keuangan-2021> (February 24, 2023).
- Rahma, Anita Ade. 2019. "PENGARUH STRUKTUR MODAL , PROFITABILITAS DAN SIZE PERUSAHAAN TERHADAP KETEPATAN WAKTU PELAPORAN." *Jurnal Benefita* 4(September 2018): 210–20.
- Samrny, M. 2012. *Pengantar Akuntansi*. Edisi revi. Jakarta: Raja Grafindo Persada.
- Simamora, Henry. 2000. *Akuntansi Basis Pengambilan Keputusan Bisnis*. Jakarta: Salemba Empat.

Wicaksono, Dimas. 2021. "PENGARUH PROFITABILITAS, KEPEMILIKAN INSTITUSIONAL, DAN UKURAN PERUSAHAAN TERHADAP KETEPATAN WAKTU PENYAMPAIAN LAPORAN KEUANGAN (Studi Empiris Pada Perusahaan Sektor Industri Barang Konsumsi Yang Terdaftar Di Bursa Efek Indonesia Periode 2014-2018)." *Kinerja Jurnal Ekonomi dan Bisnis* 3(2): 183–97.