

Research paper

Impact of Governance Structure, Blockholder, Company Age, and Technology Cost on the Implementation of Internet Financial Reporting

Vania Azalia Calista^{1*}, Rahmat Febrianto²^{1,2} Department of Accounting, Faculty of Economics, Universitas Andalas, Padang, Indonesia

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ABSTRACT

This study identifies the relationship between governance structure, blockholders, company age, and technology costs with transparency of disclosure as measured by the level of the internet financial reporting index (IFR). Disclosing company financial information on the Internet can reduce information asymmetry between the company and external parties. By using the WayBack Machine, this study assesses the internet financial reporting index on company websites for the past six years. This study used 30 samples of banks listed on the Indonesian stock exchange. The findings show that a greater size of the board of directors, a greater size of the audit committee, a lower percentage of blockholder ownership, and higher technology costs indicate greater IFR implementation. The findings suggest future research to identify more for defining technology costs because the literature is limited. If only the technology cost were more clearly defined, the results might have been different or even stronger.

1. INTRODUCTION

Technological advancements, digitalization, and the development of the internet affect all areas of life. This is used very intelligently by corporations through internet reporting (ECLAC, 2021). The internet is seen as one of the important media for reporting company information, so that information about company performance can be accessed by all stakeholders globally, better and faster (Ashbaugh et al., 1999). Internet reporting plays an important role in the economic and business world, especially in attracting consumers and investors to be more interested in the company (Momany et al., 2014). The development of internet reporting was in large part driven by advances in technology and the increasing demand for company information to be made available online. Internet reporting refers to the practice of companies providing financial and other information on their websites or other online platforms (Ashbaugh et al., 1999). This can include a wide range of information, from basic financial statements to more detailed disclosures about a company's operations, strategy, and risks. In the mid-1990s, an ever-increasing number of companies had World Wide Web (Web) sites on the Internet. In addition to sales and customer service materials, many companies place business reporting information on their sites, including financial data. Even a cursory review of these Web sites reveals a vast diversity in content and presentation of corporate information via the Internet for investors and other stakeholders (IASC, 1999).

As more companies began to provide financial information online, regulators and standard setters developed guidance and standards to ensure the accuracy and reliability of this information. At first, financial disclosures on corporate websites are mainly voluntary and unregulated (Prentice et al., 2001). Companies are under no obligation to maintain a website. If they do, the site content is largely discretionary. As more companies began to provide financial information online, regulators and standard setters developed guidance and standards to ensure the accountability and reliability of this information. From the mid-1990s until the early 2000s, the International Accounting Standards Board (IASB), the US Securities and Exchange Commission (SEC), and the Financial Accounting Standards Board (FASB) recognized the potential of the internet for financial reporting. They began developing guidance and standards to support this new medium (Bushman & Landsman, 2010).

In the United States, the SEC began exploring the internet's use for financial reporting in 1995. It adopted rule changes to encourage companies to provide information to investors via the internet. The SEC issued interpretive guidance in 1998 and 1999 on using the internet and other electronic media for financial reporting. This guidance provided recommendations on how to use the internet to distribute financial information, such as earnings releases, financial statements, and other financial reports. This was then welcomed by the Financial Accounting Standards Board (FASB), a US-based organization responsible for developing accounting standards for US companies. In 2000, the FASB published a statement of financial accounting standards (SFAS) called "Electronic Distribution of Business Reporting Information." This statement provides guidance on using the internet and other electronic media to distribute financial information. The SFAS included recommendations on ensuring the accuracy and completeness

*Corresponding author.

E-mail: rahmatfebrianto@eb.unand.ac.id

of financial information disseminated over the internet, as well as maintaining the security and integrity of this information. The development of rules regarding internet financial reporting is also supported by the IASB (2000). Through the document "Improving Business Reporting - A Customer Focus," IASB discusses recommendations on how to use the internet to disclose financial reporting.

Constitutionally in Indonesia, regulations related to financial reporting through the internet in Indonesia have been regulated by Indonesia Financial Services Authority Regulation (OJK) No. 29/POJK.04/2016. This regulation stated in Chapter IV Article 15 that the Annual Report must be published (Mandatory) on the Issuer's or Public Company's Website on the same date as the submission of the Annual Report to the Financial Services Authority. Regulations related to procedures for submitting financial reports electronically by issuers or public companies are also regulated in this Financial Services Authority Regulation No. 7 /POJK.04/2018 concerning submission of reports through the electronic reporting system of issuers or public companies.

Even though financial reporting via the internet is mandatory for public companies in Indonesia according to OJK regulations, and public companies registered on IDX have tried to implement it according to the rules, their levels of implementing IFR are different. According to research conducted by Hayati & Suprayogi (2018), the difference in the level of IFR implementation in Indonesia is caused by significant differences in terms of the components of the IFR index. Regarding the language used, several banks do not use English or other languages on their website. This will make it difficult for users of financial statements from other countries to see the company's condition. Press releases are also one of the reasons for the significant differences in IFR quality in the four countries. News updates in Indonesian public companies have varying consistency. Some have updated news within the last week, and some have updated news for more than one month. Even though there are differences in the level of IFR implementation in Indonesia, the quality of Indonesian companies' IFR shows a higher value than Malaysia, Iran, and Sudan (Hayati & Suprayogi, 2018). The results of this study are also supported by Handayani & Almilia (2013), who found that the average total internet financial reporting index on company websites in Indonesia is greater than the total internet financial reporting index on manufacturing company websites in Malaysia. The higher level of the internet financial reporting index for companies in Indonesia is presumably due to awareness of corporate governance over the importance of implementing internet financial reporting to support more transparent disclosure to company stakeholders.

Corporate governance refers to the system of rules, practices, and processes by which a company is directed and controlled (Cadbury, 1992). It encompasses the relationships among a company's management, board of directors, shareholders, and other stakeholders and sets the framework for its decision-making. Good corporate governance practices help to promote transparency, accountability, and ethical behavior, and they help to reduce the risk of fraud, mismanagement, and other types of corporate misconduct (Eisenhardt & Bourgeois, 1988; Nambinina & Kurnia, 2022). It also helps to build trust and confidence among investors, employees, customers, or other stakeholders. Corporate governance can also enhance the company's reputation and long-term growth (OECD, 1999). Corporate governance involves a range of practices and structures designed to ensure that the company is well-managed and operates in the best interests of its stakeholders. Leblanc (2018) discussed the key elements of a governance structure. The elements included the board which is responsible for setting the direction of the company and ensuring that management is executing the strategy effectively, the committees to assist the board in fulfilling its duties and responsibilities, the management which is responsible for running the company and implementing the strategy set by the board, the shareholders who own the company and have the right to vote on major decisions such as electing directors also approving major transactions, and regulators or other external stakeholders who may have a significant impact on the company's governance structure and operations. The decision on how well the implementation level is thought to be influenced by the board of commissioners, directors, and audit committee. Considering the functions of the board of commissioners, directors and audit committee for oversight and control (IAASB, 2015). The board of commissioners, directors, and audit committee oversees the financial reporting process and ensures that it is accurate and complete. They may review financial statements and other disclosures, discuss accounting policies and practices with management, and engage external auditors to provide independent assurance. A strong governance structure can ensure that these oversight and control mechanisms are effective (OECD, 2015).

Effective corporate governance can ensure that the company's financial information is accurate, complete, and timely and that it is presented in a transparent and accessible manner to stakeholders (IIRC, 2013). On the other hand, weak governance can lead to inaccurate or misleading financial reporting, damaging the company's reputation and undermining investor confidence. There has been a growing body of research examining the impact of internet financial reporting on corporate governance. For example, a study by Hussainey & Al-Najjar (2011) found that companies that use the internet to disclose financial information are more likely to have better corporate governance practices, such as higher board independence and stronger audit committees. Another study by Yassin (2017) found that internet financial reporting positively influences the quality of corporate governance in Jordanian firms. However, there are also concerns that the use of technology in financial reporting could lead to information overload and a decrease in the quality and relevance of financial information (Ormin & Jerry, 2016). Therefore,

there is a need for further research to understand the relationship between internet financial reporting. There have been several research studies examining the relationship between corporate governance and internet financial reporting in Indonesia. A study from Basuki et al. (2017) found a positive relationship between corporate governance and internet financial reporting in Indonesian listed companies. The study found that companies with better corporate governance structures, as measured by the number of independent directors and board size, were more likely to provide more comprehensive internet financial reporting. Another study researched by Ardiyanto & Mulyadi (2019) found that companies with better corporate governance structures, as measured by the presence of independent directors, the separation of the roles of CEO and Chairman, and the frequency of board meetings, were more likely to adopt internet financial reporting. Overall, these studies suggest that there is a positive relationship between corporate governance and internet financial reporting in Indonesia, and that companies with better corporate governance structures are more likely to adopt more comprehensive and transparent internet financial reporting practices.

Furthermore, apart from the government structure, Urban (2015) found that blockholders with long-term investment horizons can incentivize firms to provide high-quality financial information to reduce information asymmetry and enhance transparency, which can ultimately benefit both the firm and its shareholders. Another study about blockholders by Chou (2011) found that firms with high levels of block ownership may provide more voluntary disclosures, particularly related to forward-looking information and risk factors. Blockholders are the shareholders who hold more than 5% of the company's total outstanding shares (Holderness & Sheehan, 1988). Blockholders may influence the company's management and board of directors, affecting the quality, timing, and transparency of the company's internet financial reporting. Companies need to consider the potential influence of blockholders in implementing internet financial reporting.

Apart from the governance structure and blockholders, company age is also expected to have a significant influence on internet financial reporting. The company age is the length of time by the company, starting from its establishment until an unlimited time that shows how long the company is able to survive (Penrose, 1959). Research by Hsu et al. (2013) finds that older companies tend to have longer financial reporting histories, which can provide a richer source of data for analysis. Older companies most likely have more established and mature reporting systems, which can lead to higher-quality financial reporting (Al-Shammari, 2007). However, older companies may also have more complex reporting structures and may use older reporting technologies, which can limit the availability of data for analysis.

In addition, apart from the government structure, blockholder, and company age, Dastgir & Dajani (2017) found that companies with higher technology costs were more likely to adopt internet financial reporting, and that internet financial reporting was positively associated with firm size and financial performance. However, they also noted that regulatory and cultural factors may influence companies' decisions to adopt internet financial reporting. Technology cost refers to the expenses associated with implementing and maintaining technological infrastructure and tools, such as software, hardware, and IT services (Bhardwaj et al., 2010). In the context of business, technology costs can include the cost of developing and maintaining websites, customer relationship management (CRM) systems, and other digital platforms. Although there is a connection between the technology cost and internet financial reporting, the exact nature of the connection may differ depending on the nation, industry, and business size.

Above other sectors that are widely highlighted, used, and have an interest in the public are the financial sector, especially banking industry. Apart from being a public company, banks also collect a lot of funds from the public. Hence, even though the public does not have a direct interest in the internet reporting banking industry, they still have concerns and importance related to it.

2. LITERATURE REVIEW

2.1. Agency Theory

Agency theory was discussed by Jensen & Meckling (1976), who define agency theory as a contract of one or more persons (principal) engaging another person (agent) to perform some service on their behalf, which involves delegating some decision-making authority to the agent. Agency theory is the theoretical basis that underlies business practices used as guidelines for running a business in a company. Agency theory is rooted in economic synergy, decision theory, sociology, and organizational theory. The main principle of this theory is that there is a working relationship between the party who gives the authority (principal), namely the investor, and the party who receives the command (agent), namely the manager, in the form of the same work contract.

Agency conflict will arise because of differences in interests, so each party tries to increase profits for themselves. If the parties involved act in their interests, this would lead to a conflict between the principal and the agent. Agency theory illustrates that conflicts will cause agency costs which, in the end, there will be an incentive or cost that must be borne. Agency theory assumes that a principal wants the maximum and immediate return on the

investment they have invested, one of which is reflected by an increase in the dividend portion of each share owned by the company.

Stakeholders rely on the financial report to make decisions, either to invest or for creditors to approve loans. In this case, transparency is demanded by the stakeholders, which, sometimes, is not fulfilled by the company's management. Financial report disclosure is needed in the company to reduce the information asymmetry among the stakeholders. According to the agency theory, companies should increase disclosure in order to reduce conflicts between shareholders and management. In addition, companies wishing to enhance their firm value may do so by increased disclosure (Lobo & Zhou, 2001)

2.2 Internet Financial Reporting

The internet financial reporting (IFR) is the dependent variable. IFR is a way for companies to inform internet-based financial statements. The IFR examined in this study from bank company websites used the wayback machine for a six year period, 2016-2021. Based on research by Almilia (2010), it is necessary to observe the company's website for more than one period to get a more reliable conclusion because the company's website was observed in the previous study for only one period. The author uses innovation in the form of using a WayBack Machine to be able to access the company's website over several periods. The WayBack Machine offers a valuable large-scale data source to analyze web information over time (Arora et al., 2016). IFR is measured using the disclosure index obtained through the index score variable on the IFR (Prasetya & Irwandi, 2012). This index is used to assess disclosure through IFR practices that consist of four components (Cheng et al., 2000), namely the content (40%), timeliness (20%), technology (20%), and user support (20%).

2.3 Governance Structure

According to the Forum for Corporate Governance in Indonesia (FCGI) corporate governance is a system that regulates the relationship between shareholders, management, creditors, the government, employees, and other stakeholders so that the company has added value, or in other words the system that controls the company. A system of working mechanisms is needed to achieve good corporate governance for the company. The mechanism of corporate governance is a rule of the game, procedures, and relationships that must be clear between all parties involved in making decisions and properly overseeing these decisions (Walsh & Seward, 1990). The mechanism is divided into two major groups, namely internal and external. Internal mechanisms control the company with internal structures and processes. The external mechanism controls the company and market processes. This study measures the governance structure through the internal mechanism of corporate governance through the board of commissioners, board of directors, and audit committee.

2.3.1 Board of Commissioners

The Forum for Corporate Governance in Indonesia (2001) explains that the board of commissioners plays a crucial role in the company, especially in implementing GCG. The board of commissioners responsible for supervising the policies and management of the company carried out by the board of directors and providing advice to management for the benefit of the company. The board of commissioners has the authority to temporarily suspend members of the board of directors by stating the reasons. The board of commissioners may also take actions to manage the company under certain conditions for a certain period. In carrying out its duties and responsibilities, the board of commissioners is assisted by a supporting committee, the audit committee, which is the company's supporting organ.

2.3.2 Directors

The director acts as a bridge between shareholders as company owners and management as the party carrying out company activities (Lukviarman, 2016). Members of the board of directors are appointed and dismissed by the general meeting of shareholders. The accountability of the board of directors to the general meeting of shareholders is a manifestation of corporate management accountability in the context of implementing GCG principles.

2.3.3 Audit committee

The fundamental and essential role of the audit committee is to act as a bridge between the public accounting firm as the company's independent auditor and the board of commissioners (Lukviarman, 2016). The board of commissioners forms the audit committee so the audit committee is responsible to the board of commissioners. The audit committee is also described as a monitoring mechanism that can enhance the audit function for corporate external reporting. Company boards often give responsibility to the audit committee for financial reporting errors so that financial reports can be relevant and reliable.

2.4 Blockholder

According to Thomsen et al. (2006) blockholders are defined as shareholders who own at least 5% of a company's common shares. The share ownership structure describes the parties who own shares of a company. This means that each party can be said to be the holder of power over the company based on the number of shares owned. Based on the research of Fanani & Hendrick (2015), blockholders are able to reduce agency conflicts between shareholders and management because it will provide convenience for the shareholders in supervising the management because shareholders can use their power to oversee the management of the company. This is because blockholders have the urge to use their voting power, so they can enjoy company income or profits that are not

distributed to minority shareholders. Aspects that motivate the existence of blockholder ownership are the shared benefits of control and private benefits of control. According to the research finding of Jaya et al. (2016) shared benefit of control arises because large blockholder ownership will provide convenience in carrying out management supervision that comes from the amount of voting power to participate in decision making and its influence on the welfare of blockholders.

2.5 Company Age

Age in a company is part of the documentation that shows what the company is and will achieve. The company's age will show how it started to carry out operational activities so that it can maintain the company's going concern or maintain its existence in the business. The age of the company is the service life of a company which shows that the company still exists, is able to compete in the business world and is able to maintain its business continuity and is part of the documentation that shows the purpose of the company (Sukamulja, 2019).

The company age is how long a company is able to survive, compete, and take business opportunities that exist in the economy. Small companies that have a relatively young age will use smaller debt compared to using equity as a source of funds. This is because relatively young companies do not have or still have little access to funds from outside or from investors because investors consider relatively young companies do not have experience in running a company and managing cash flows. Older companies will use smaller debt because older large companies are considered capable of managing cash flow better than younger companies. Companies that are relatively old will tend not to choose financing that comes from debt. This is because companies that are relatively old have experience in conducting business activities and have also been able to manage their cash flow well.

2.6 Technology Cost

Technology is a tool used by people to help find the information they want, technology will make it easier for someone to access the things they need. Technology will make it easier to get a variety of information which will make it easier to access at an adjusted speed, where social media in technology will play a role in it. In addition, technology is also referred to as a means used to provide goods needed for the survival and comfort of human life. Technology plays an important role in the life of every individual. Whether we realize it or not, technology is increasingly attached to one's life.

The cost of technology is a cost that must be incurred in order to enjoy the various advantages that technology itself will provide, as we know that in the life we go through we cannot escape the word expenses or costs that must be borne as well as the use of technology. The cost of technology will be felt by technology users, where on the one hand it will increase the use of technology or reduce the use of technology. However, until now the use of technology is the use that reaches the highest number because humans cannot be separated from the technology itself (Sudrajat & Rudianto, 2019)

Based on the theories which are strengthened by the literature, the research hypothesis can be formulated as follows:

Hypothesis 1a: Board of commissioner size affects the implementation of internet financial reporting.

Hypothesis 1b: Director size affects the implementation of internet financial reporting.

Hypothesis 1c: Audit committee size affects the implementation of internet financial reporting.

Hypothesis 2: Blockholder affects the implementation of internet financial reporting.

Hypothesis 3: Company age affects the implementation of internet financial reporting.

Hypothesis 4: Technology costs affect the implementation of internet financial reporting.

3. METHODS

3.1 Research Objective

This study uses a quantitative approach. The quantitative approach is an approach that uses data in the form of numbers using statistical techniques and hypothesis testing to measure and analyze the relationships between variables (Sekaran & Bougie, 2016). In this study, testing was carried out using secondary data, which was obtained from the annual reports of public banks listed on the IDX for 2016-2021, which are documented on www.idx.co.id and the bank website.

The population in this study are all banking companies listed on the Indonesia Stock Exchange (IDX) in 2016-2021. The sample used in this study are 30 banking companies. The sampling technique is purposive sampling. Purposive sampling is a sampling technique that refers to a specific sample which can provide the desired information, either because it is the only ones who have it or they conform to some criteria set by the researcher (Sekaran & Bougie, 2016). The sample used if it meets the following criteria:

Table 1. Research Sample

No	Sample Selection Criteria	Total Bank
1.	Banks listed on the Indonesia Stock Exchange in the period 2016-2021.	43
2.	Banks that were operated after 2015.	(8)
3.	Banks do not disclose the 2016-2021 financial report on the website.	(1)
4.	Banks that do not provide required complete data.	(4)
Total Sample Based on the Criteria		30
Research Period (30 x 6 Years)		180

3.2. Research Variables and Operational Definitions

3.2.1. Governance Structure

Governance structure is a process and structure applied in running a company with the primary goal of increasing firm value in the long term while taking into account the interests of other stakeholders.

1. Board of commissioners

The board of commissioners has the role of overseeing every company activity, including company policies and management. Based on regulations issued by the Financial Services Authority (OJK) 33 /POJK.04/2014, the board of commissioners consists of more than two members. Referring to research conducted by Sulistyanto & Nugrahanti (2013), the size of commissioners is measured using the number of commissioners in the company.

2. Directors

The shareholders and the governing body elect the directors through a general meeting of shareholders to represent their affairs in managing the company. Based on the regulations issued by the Financial Services Authority (OJK) 33 /POJK.04/2014, the directors consist of at least two members. Referring to research conducted by Hezadeen et al. (2016), the size of directors is measured using the total number of directors in the company.

3. Audit committee

The audit committee is in charge to assist the board of commissioners in supervising the company. Regulation issued by the Financial Services Authority (OJK) No. 55/POJK.04/2015 stipulates that a company must have a minimum number of three audit committees. Referring to research conducted by Kurniawan & Mutmainah (2020), the size of audit committees is measured using the total number of audit committees in the company.

3.2.2. Blockholder

Blockholder is one of the company's ownership structures, where blockholders are shareholders who own at least 5% of the company's total shares (Thomsen et al., 2006). Referring to Brigham et al. (2011), the proportion of blockholder measured by:

$$\text{Blockholder Ownership} = \frac{\text{Shares owned by blockholders}}{\text{Number of shares outstanding}}$$

3.2.3. Company Age

Company age is a period for a company that is expressed in years. The company age is the length of time by the company, starting from its establishment until an unlimited time (Bestivano, 2013). Company age shows how long the company is able to survive. The longer the company age, the more information the public has obtained about the company. Company age is calculated by the formula:

$$\text{Company Age} = \text{Current Year} - \text{Established Year}$$

3.2.4. Technology Cost

Technology costs are part of operating costs. The technology costs are all operational costs of utilizing technology used to support company activities in order to achieve optimal company goals that can be included as operating expenses in the company's financial report.

$$\text{Technology Cost} = \frac{\text{Total Technology Cost}}{\text{Total Operating Cost}}$$

3.3. Multiple Regression

Multiple regression analysis conducted to test the effect of several independent variables on the dependent variable. The multiple regression equation in this study is as follows:

$IFR_{i,t} = \alpha + \beta_1 (BOC)_{i,t} + \beta_2 (DIR)_{i,t} + \beta_3 (AUC)_{i,t} + \beta_4 (BLH)_{i,t} + \beta_5 (AGE)_{i,t} + \beta_6 (TEC)_{i,t} + \epsilon$
 IFR = Internet financial reporting index of firm i in year t
 BOC = Board of commissioner size i in year t (Governance structure)
 DIR = Directory size i in year t (Governance structure)
 AUC = Audit committee size i in year t (Governance structure)
 BLH = Blockholder ownership i in year t
 AGE = Company age i in year t
 TEC = Technology cost i in year t
 ϵ = Error term

4. RESULTS

Table 2. Multiple Linear Regression Analysis

Variables	B	Std. Error	t	Sig.
(Constant)	65.502	4.916	13.324	.000
Board of commissioner (Gov. structure)	-.180	.623	-.289	.773
Director (Gov. structure)	1.468	.463	3.173	.002
Audit committee (Gov. structure)	2.003	.706	2.839	.005
Blockholder	-14.169	4.733	-2.993	.003
Company age	-.036	.037	-.986	.325
Technology cost	46.398	9.970	4.654	.000
F		16.904		.000 ^b
R ²		.348		

Based on the table above, the results obtained from testing the multiple linear regression coefficients produce the following model:

$$IFR = 65.50 - 0.18BOC + 1.46DIR + 2.00AUC - 14.16BLH - 0.03AGE + 46.39TEC + \epsilon$$

It is known that the constant value for IFR is 65.502, which means that if the independent variable is 0, the IFR will have a constant value of 65.502. The regression coefficient of the board of commissioners variable is -0.180, meaning that if the proportion of the board of commissioners increases by one unit, the IFR will decrease by 0.180, assuming other variables at a fixed value. Table 4.4 shows that the significance value of the board of commissioner variable is 0.773, greater than 0.05 ($0.773 > 0.05$), and the t-count value is -0.289. This shows that the proportion of the board of commissioners does not affect internet financial reporting.

The regression coefficient of the board of directors variable is 1.468 meaning that if the proportion of the board of directors increases by one unit, then the IFR will increase by 1.468 assuming other variables at a fixed value. Table 4.4 shows that the significance value of the board of directors variable is 0.002, which is less than 0.05 ($0.002 < 0.05$), and the t-count value is 3.173. This shows that the proportion of the board of directors has a significant positive effect on internet financial reporting.

The regression coefficient of the audit committee variable is 2.003, meaning that if the proportion of audit committees increases by one unit, then the IFR will increase by 2.003 assuming the other variables are at a fixed value. Table 4.4 shows that the significance value of the audit committee variable is 0.005, which is less than 0.05 ($0.005 < 0.05$) and the t-count value is 2.839. This shows that the proportion of audit committees has a significant positive effect on internet financial reporting.

The regression coefficient of the blockholder variable is -14.169, meaning that if the proportion of blockholder increases by one unit, then the IFR will decrease by 14.169 assuming the other variables are at a fixed value. Table 4.4 shows that the significance value of the blockholder variable is 0.003, which is less than 0.05 ($0.003 < 0.05$) and the t-count value is -2.993. This shows that the proportion of blockholders has a significant negative effect on internet financial reporting.

The regression coefficient of the company age variable is -0.036, meaning that if the proportion of company age increases by one unit, then the IFR will decrease by 0.036 assuming the other variables at a fixed value. Table 4.4 shows that the significance value of the company age variable is 0.325, which is greater than 0.05 ($0.325 > 0.05$) and

the t-count value is -0.986. This shows that the proportion of company age does not affect internet financial reporting.

The regression coefficient of the technology cost variable is 46.398, meaning that if the proportion of technology cost increases by one unit, then the IFR will increase by 46.398 assuming the other variables at a fixed value. Table 4.4 shows that the significance value of the company age variable is 0.000, which is less than 0.05 ($0.000 < 0.05$) and the t-count value is 4.654. This shows that the proportion of technology cost has a significant positive effect on internet financial reporting.

From table 4.1, it can be seen that the Adjusted R Square is 0.348. This shows the ability of the independent variables, namely governance structure (board of commissioner, board of director, and audit committee), blockholders, company age, and technology costs, in explaining the dependent variable, namely disclosure of internet reporting, which is 34.8%. In comparison, the remaining 65.2% is explained by variables or other factors not examined in this study. Meanwhile, the correlation coefficient test (R) results are worth 0.608, which means that this value is at intervals that show a strong relationship between the independent and dependent variables.

Based on the 95% confidence level or $\alpha = 0.05$ and degrees of freedom ($df = n - k - 1$), where n is the number of samples and k is the number of independent variables, $df = (136 - 6 - 1 = 129)$. With $df = 129$, a table value of 1.6568 is obtained. H_0 will be accepted if count $>$ table and has a significance value < 0.05 and H_0 will be rejected if tcount $<$ table and has a significance value > 0.05 .

5. DISCUSSION

H1a: Board of commissioner size affects the implementation of internet financial reporting.

Based on the results of the t-statistical test from table 4.4, the board of commissioners has a count of -0.289 $<$ 1.99495, so that t count is not in the influential part with a significance level of $0.773 > 0.05$. These results show that the board of commissioners does not affect the implementation of internet financial reporting, so hypothesis (H1a) is rejected. Regardless of the size of the board of commissioners in a company does not encourage management to disclose information strategy more broadly on the company's website. This finding is in line with Jao et al. (2019) and Amalia & Laksito (2013). Strategic information is considered as information that is sufficiently threatening to the company's competitive strategy if it is consumed by the public, especially by competitors. Although on the other hand the disclosure can also increase the value of the company in the eyes of investors, disclosure through the website is not the only medium for companies to promote their superiority. The disclosure of information through the company's website is only seen as voluntary, so encouraging management to disclose the information has not become a top priority for the board of commissioners. The company will only publish critical information that is thought to influence investor perceptions of the company. Because information disclosure can cause harm to some parties, the board of commissioners, which has been effective in supervising and advising the directors, will consider limiting it (Siagian & Ghazali, 2012).

H1b: Board of director affects the implementation of internet financial reporting.

Based on the results of the t-statistical test from table 4.4, the board of directors has a tcount of 3.173 $>$ 1.99495, so that tcount is in the influential part with a significance level of $0.002 < 0.05$. These results show that the board of commissioners significantly affects the implementation of internet financial reporting, so hypothesis (H1b) is accepted. The directors act as the governing body of a company, elected by shareholders to set strategy and supervise the management. This is also in accordance with Michelon & Parbonetti (2012) who find that a larger number of boards in a company will increase the company's financial disclosure because the level of independence of supervision of the company will be better. The number of boards can maximize the function of the company's accounting and supervisory practices.

H1c: Audit committee affects the implementation of internet financial reporting.

Based on the results of the t-statistical test from table 4.4, the audit committee has a tcount of 2.839 $>$ 1.99495, so that tcount is in the influential part with a significance level of $0.005 < 0.05$. These results show that the audit committee significantly affects the implementation of internet financial reporting, so hypothesis (H1c) is accepted. The audit committee oversees the financial reporting process undertaken by management (agents), thereby increasing the reliability of the company's financial statements. In supervising the company's financial statements, the audit committee will produce financial statements that show the company's fundamental conditions. The audit committee's effectiveness as a corporate governance mechanism can prevent information asymmetry, indicating that the financial statements can be trusted and verified. Using IFR, the audit committee can encourage management to be more open about its financial statements. The audit committee's effectiveness can control management regarding financial reporting quality and the company's internal control system, including information disclosure.

H2: Blockholder affects the implementation of internet financial reporting.

Based on the results of the t-statistical test from table 4.4, the blockholder has a tcount of $-2.993 < 1.99495$, so that tcount is not in the influential part with a significance level of $0.003 < 0.05$. These results show that blockholder significantly affects the implementation of internet financial reporting, so hypothesis (H2) is accepted. The results of this study indicate that the blockholders affect the implementation of internet financial reporting negatively. This shows that a bigger percentage of blockholder ownership will reduce the need for additional monitoring companies in the form of transparency through internet financial reporting because corporate financial reporting via the internet may not be a priority for them. This research is in line with research conducted by Kelton & Yang (2008), which found that block ownership is negatively associated with its internet disclosures, suggesting that the effect of blockholders on IFR is substitutive and that block ownership decreases a management's need for monitoring.

H3: Company age affects the implementation of internet financial reporting.

Based on the results of the t-statistical test from table 4.4, the company age has a tcount of $-0.986 < 1.99495$, so that tcount is not in the influential part with a significance level of $0.325 > 0.05$. These results show that company age does not affect the implementation of internet financial reporting, so hypothesis (H3) is rejected. This means that the companies that have been established for a long time or the company that has just been established do not affect the internet financial reporting index. It is because, in Indonesia, disclosure of internet financial reporting is mandatory based on POJK No. 8/POJK.04/2015 concerning issuer or public company websites so that bank companies listed on the Indonesia Stock Exchange must have disclosed company information through the company's website. Companies that have been established for a long time or are newly established apply technology such as using the internet in their business to attract potential investors and overcome information asymmetry. This study's results align with the results of research by Maulana & Almilia (2018) and Satwika & Sari (2021).

H4: Technology cost affects the implementation of internet financial reporting.

Based on the results of the t-statistical test from table 4.4, the technology cost has a tcount of $4.654 > 1.99495$, so that tcount is in the influential part with a significance level of $0.000 < 0.05$. These results show that technology cost significantly affects the implementation of internet financial reporting, so hypothesis (H4) is accepted. The results of this study indicate that the proportion of technology cost affects the implementation of internet financial reporting. The positive result of the t-test shows that a large number of technology costs will increase the implementation of internet financial reporting. Based on the results of the hypothesis testing, it can be concluded that a greater technology cost will make a better IFR implementation. This finding is in line with A. S. Setiawan (2020) who found that the level of technology that is characteristic of a company has a positive impact on companies to implement IFR better. Technology is mostly used as a medium of communication between banking companies and their stakeholders, including investors and customers to reduce information asymmetry. The internet financial reporting is a medium of communication between companies and stakeholders and has the advantage of providing convenience in accessing company information for investors.

6. CONCLUSION

The research was conducted to obtain information regarding the effect of governance structure, blockholders, company age, and technology costs on implementing internet financial reporting in bank companies listed on the Indonesia Stock Exchange in 2016-2021. The board of commissioners does not impact the implementation of internet financial reporting. This result means that the size of the board of commissioners does not affect the implementation of internet financial reporting. The disclosure of information through the company's website is only seen as voluntary, so encouraging management to disclose the information has not become a top priority for the board of commissioners.

The directors significantly impact the implementation of internet financial reporting. This result means that the greater the number director, the greater the implementation of internet financial reporting. A larger number of directors in a company will increase the company's IFR because the number of directors can maximize the function of the company's accounting practices and supervision. The management is also improving the implementation of IFR in order to be able to attract more shareholders, because company information can be accessed anytime on the website.

The audit committee significantly impacted the implementation of internet financial reporting. This result means that the greater the number of audit committees, the greater the implementation of internet financial reporting. By implementing IFR, the audit committee can encourage management to be more open about its financial information. The audit committee's effectiveness can control management's internal control system, including information disclosure.

Blockholder have a significant negative impact on the implementation of internet financial reporting. This result means that the greater the number of blockholder ownership, the less the implementation of internet financial

reporting. A bigger percentage of blockholder ownership will reduce the need for additional monitoring companies in the form of transparency through internet financial reporting because corporate financial reporting via the internet may not be a priority for them. Besides, company age does not impact the implementation of internet financial reporting. This result means that the old or new establishment of the company does not affect the implementation of internet financial reporting. In Indonesia, disclosure of internet financial reporting is mandatory based on POJK No. 8/PJOK.04/2015 concerning issuer or public company websites so that bank companies listed on the Indonesia Stock Exchange must have disclosed company information through the company's website. Moreover, technology costs impact the implementation of internet financial reporting. This result means that the greater the technology cost, the greater the implementation of internet financial reporting. Technology is mostly used as a medium of communication between banking companies and their stakeholders, including investors and customers to reduce information asymmetry.

This research has limitations that require improvement and development for further researchers to obtain better results regarding the same topic. The tools used to view websites in previous years (WayBack Machine) have limitations for viewing at one specific time. The WayBack Machine does not capture all website features at one time, so it redirects to another time. More accurate tools are needed to be used in future research. The researcher also found difficulties when defining technology cost. Future study can use a finer definition of technology cost since the disclosure on this cost is limited.

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