



Companies in Indonesia Towards the Implementation of Integrated Reporting

Devica Pratiwi^{1*}, Ilham Ilham², Della Verati³, Santia Veronika⁴, Sharon Gabriella⁵

¹Universitas Bunda Mulia, Indonesia, email: dpratiwi@bundamulia.ac.id

²Universitas Bunda Mulia, Indonesia, email: adeilham.cpa@gmail.com

³Universitas Bunda Mulia, Indonesia, email: dellaverati@gmail.com

⁴Universitas Bunda Mulia, Indonesia, email: santiaveronika@gmail.com

⁵Universitas Bunda Mulia, Indonesia, email: sharongabl23@gmail.com

*Corresponding Author: Devica Pratiwi¹

Abstract: Reports that not only disclose financial information, but also non-financial information that describes the company's overall activities present integrated information are known as integrated reporting. This research was conducted to find out whether companies in Indonesia are ready to switch to integrated reporting. The objects are the annual report and sustainability report of 16 companies from LQ45 listed on the IDX from 2017 to 2019. Data analysis techniques use content analysis based on the International <IR> Framework guidelines which focus on content elements. The results of the disclosure of the annual report and the sustainability report of 16 companies show that in general the companies have presented and disclosed the seven elements contained in the guidelines, namely the organizational overview and external environment, governance, business models, risks and opportunities, strategy and resource allocation, performance and outlook with an average value in the range of 3,563 – 4,958 from a maximum value of 5,00.

Keywords: Integrated Reporting, International Framework, LQ45, Annual Report, Sustainability Report

INTRODUCTION

One form of performance appraisal from external parties is the existence of financial reports from an entity. The rapid developments in technology, information and communication have contributed to the creation of a comprehensive reporting system that covers all aspects within the scope of the company. Business entities or corporations are not only required to present financial reports that are limited to providing financial information. More than that, it turns out that the digitalization of the times demands more comprehensive reporting. (Gobel, 2016).

Several cases of fraudulent financial statements in Indonesia were revealed in 2019, namely PT Hanson International which committed fraudulent annual financial statements for

2016 and PT Garuda Indonesia which was proven guilty of preparing the 2018 financial statements. Several cases that occurred required entities/companies to be transparent in their complete financial and non-financial information so that stakeholders are sure that the above cases will not be repeated (Hall, 2016). Various international institutions offer several standards for companies to use in preparing reports that not only disclose financial information, but also non-financial information that describes the company's activities as a whole. Reports that present integrated information like this can be referred to as integrated reporting (IR).

The International Integrated Reporting Council (IIRC) defines integrated reporting as a process founded on integrated thinking that produces periodic integrated reporting by an organization regarding value creation over time and related communications regarding aspects of value creation. Integrated reporting is a concise communication of how an organization's strategy, governance, performance and prospects, in the context of its external environment, lead to value creation in the short, medium and long term. The basis for IIRC's creation of this standard is that globalization and interconnectivity mean that the world's finances, people and knowledge are interrelated, as evidenced by the global financial crisis. After the crisis, the desire to promote financial stability and sustainable development by linking investment decisions, corporate behavior and reporting became a global necessity. Businesses need evolution in systems to report, facilitate and communicate major trends without the complexity and inadequacy of current reporting requirements. Currently, there are significant information gaps in the report, with organizations such as the World Bank and IMF calling for greater focus on aspects such as risks and future developments. Integrated reporting has been created to improve accountability, stewardship and trust and to take advantage of the information flow and business transparency that technology has brought to the modern world. Providing investors with the information they need to make more effective capital allocation decisions will facilitate better long-term investment returns.

Based on several previous studies, it was revealed that disclosing company information to IR provides an overview of efforts to create shared value that is more visible and allows it to be realized (Liu, Jubb, Abhayawansa, 2019). IIRC guidelines for preparing integrated reporting also provide a growing understanding of integrated thinking in business practice (Feng, Cummings, Tweedie, 2017). Research conducted by Akisik and Gal (2019) found a positive relationship between integrated reporting and various financial performance measurements and it gets stronger when IR has gone through an accountant's examination. The existence of integrated reporting is expected to improve the quality of information and influence information decisions, but Taiwanese investors still doubt the effectiveness of reports for investment appraisal. So the statement that integrated reporting in reducing information asymmetry and influencing information decisions must be examined more closely (Hsiao and Kelly, 2018).

Agency Theory

Agency theory is a branch of game theory that studies contract design to motivate rational agents to act based on the principal's interests when the agent's interest conflicts with the principal's interests (Scott, 2015). The company is a legal entity in which there is a collection of contracts (nexus of contracts) between managers, shareholders, suppliers, customers, and others where each party tends to maximize profits by its interests. This theory was developed by Jensen and Meckling (1976) who stated that principals (shareholders) and agents (company management) have different interests and tend to maximize their respective interests. There is a tendency for agents to present information that is not true, resulting in information asymmetry and conflict of interest. Research that measures a company's ability to disclose financial and non-financial information in a complete, transparent and responsible

manner, so that the level of interest between the principal and the company's management can be met.

Stakeholder Theory

Stakeholder theory, explains that the company's operational activities are carried out, not only to achieve its own interests, but also to provide benefits to stakeholders (shareholders, creditors, suppliers, consumers, government, community and other parties). Stakeholder theory explains that the success of an organization depends on the extent to which the organization can manage relationships not only with key groups, such as funders and shareholders, but also with customers, employees, and even the community or society (Van Beurden and Gossling 2008). The concept of corporate social responsibility has been known since the early 1970s, which is generally known as stakeholder theory, meaning a collection of policies and practices related to stakeholders, values, compliance with legal provisions, community and environmental respect, and the commitment to the business world to contribute to sustainable development. Stakeholder theory starts with the assumption that value is explicitly and undeniably a part of business activities (Freeman, Wicks, Parmar, 2004). The readiness of the company in an integrated report will prove that the company responsibly carries out all obligations to internal and external parties in the company's activities by legal provisions that ensure the continuity of the company's business can be guaranteed for the long term.

Integrated reporting (IR)

Integrated reporting or abbreviated IR, according to Febriyanti and Gunawan (2016) is a report that communicates in a concise and integrated way how strategy, governance, remuneration, performance and prospects of an organization can lead to value creation in the short, medium and long term. Providing non-financial information, it allows investors to better assess important areas and form a broader view of company performance that also includes the wider community. According to the International Integrated Reporting Council (IIRC, 2013), in particular, IR focuses on an organization's ability to create value in the short, medium, and long term, and thus IR has an emphasis on brevity (clear and concise content), strategic focus and orientation future, the connectivity of information and capital and the interdependence between them. IR also emphasizes the importance of integrated thinking in organizations. IR benefits all stakeholders interested in an organization's ability to create value over time, including employees, customers, suppliers, business partners, local communities, legislators, regulators and policymakers. IR provides financial and non-financial information for stakeholders comprehensively and concisely. So that the quality of decisions taken by stakeholders becomes more valuable and profitable.

METHODS

Judging from the type of data the research approach used in this study is a qualitative approach. As for what is meant by qualitative research, namely research that intends to understand the phenomenon of what is experienced by research subjects holistically, and using descriptions in the form of words and language, in a special natural context and by utilizing various scientific methods (Moleong, 2007). The type of this research approach is descriptive. Descriptive research is research that seeks to describe current problem-solving based on data. According to Uma Sekaran (2011), a descriptive study is conducted to find out and be able to explain the characteristics of the variables studied in a situation. From the opinion above, it can be seen that qualitative-descriptive research is research that is used if the research factors cannot be quantified or cannot be calculated so that variables cannot be expressed in numbers such as perceptions, opinions, assumptions and so on. According to the

theory of qualitative research, for the research to be of good quality, the data collected must be complete, namely primary data and secondary data.

Objects

This study retrieves data from the 2019 annual report and sustainability report for companies that are included in the LQ45 consecutively from 2017 to 2019. According to the website idx.co.id the LQ 45 index uses 45 listed companies. selected based on liquidity and market capitalization considerations, with predetermined criteria. Thus, companies that have high financial conditions, growth prospects, and transaction values are suitable research targets to see the completeness of annual reports and sustainability report data disclosures that can be included in the criteria for integrated reporting based on guidelines from the International <IR> Framework.

Instrument Development

This research will use the guidelines of the International <IR> Framework and emphasize content elements to examine the annual reports and sustainability reports of selected companies and see the readiness of presenting the two company reports to produce an integrated reporting. The content elements described in the previous chapter will only use 7 content elements, namely:

1. Organizational overview and external environment
2. Governance
3. Business model
4. Risks and opportunities
5. Strategy and resource allocation
6. Performance
7. Outlook

The reason why the 8th element, namely the basis of preparation and presentation (Basis of preparation and presentation), is not included is because the 8th element applies when what is examined is integrated reporting, while the object in this study is the company's annual report and sustainability report.

Content Analysis

The content analysis process is carried out by first reading the company's annual report and sustainability report from the first page to the last page before the financial report section. Next identify each sentence of information in the annual report and sustainability report which is an IR disclosure, associated with IR disclosure items. If there is information that reveals the items in the IR, a score will be given according to the specified guidelines. If the information is not related to the IR disclosure item, then the information is ignored and no assessment is made (Gunawan et al, 2009).

Guidelines for Content Analysis Assessments

Next, the assessment in content analysis in IR is carried out under the guidelines for a quantitative assessment which gives an idea of how much IR disclosure information is reported in the company's annual report and sustainability report. The following is the composition of the assessment in the content analysis technique (Raar (2002), Abadi & Gunawan (2015)):

Table 1. Quantitative Measurement

Score	Quantity of Disclosure “how much”
0	No information is disclosed under the indicators
1	Sentence
2	Paragraph
3	2 – 3 paragraphs
4	4 – 5 paragraphs
5	> 5 paragraphs

According to the information in the table above, there is a distance or range of values for each reported IR disclosure (between 0 – 5). The explanation for scoring from the table above is as follows:

1. Score 0, given if information is not disclosed based on measurement indicators.
2. Score 1, given if the disclosure is made in at least 1 word or a maximum of 1 sentence. Disclosure can also be in the form of pictures, tables or diagrams
3. Score 2, given if the disclosure is made at least more than 1 sentence or a maximum combined in the form of 1 paragraph.
4. Score 3, given if disclosure is made to reach 2 to 3 paragraphs.
5. Score 4, given when the disclosure reaches 4 to 5 paragraphs
6. Score 5, given if the disclosure reaches more than 5 paragraphs.

The maximum score that can be obtained in the measurement of the IR variable is 5 (five) of the total disclosure score divided by the total disclosure items. The formula for measuring IR can be arranged as follows:

$$IR\ Score = \frac{\text{Number of disclosures}}{\text{Total disclosure items}}$$

RESULT AND DISCUSSION

Based on the research object criteria, namely companies listed in LQ45 sequentially from 2017 – 2019 and companies that have complete annual reports and sustainability reports, the following 16 companies are obtained:

Table 2. Company List

No.	Code	Company Name
1	ADRO	Adaro Energy Tbk.
2	ANTM	Aneka Tambang Tbk.
3	ASII	Astra International Tbk.
4	BBCA	Bank Central Asia Tbk.
5	BBNI	Bank Negara Indonesia (Persero) Tbk.
6	BBRI	Bank Rakyat Indonesia (Persero) Tbk.
7	BBTN	Bank Tabungan Negara (Persero) Tbk.
8	BMRI	Bank Mandiri (Persero) Tbk.
9	EXCL	XL Axiata Tbk.
10	JSMR	Jasa Marga (Persero) Tbk.
11	KLBF	Kalbe Farma Tbk.
12	PGAS	Perusahaan Gas Negara (Persero) Tbk.
13	PTBA	Tambang Batubara Bukit Asam (Persero) Tbk.
14	PTPP	PP (Persero) Tbk.
15	UNTR	United Tractors Tbk.
16	WSKT	Waskita Karya (Persero) Tbk.

Based on assessments through content analysis for each annual report and sustainability report in 2019 for 16 companies and linked to the guidelines for the content elements in <IR>, the following results are obtained:

Table 3. Content Analysis Results for 16 Companies

No.	Content Element in <IR>	Result
1	Organizational overview and external environment	3,563
2	Governance	4,750
3	Business model	3,763
4	Risks and opportunities	4,958
5	Strategy and resource allocation	4,813
6	Performance	4,938
7	Outlook	4,688

The assessment above has a value range of 1 – 5, which means the higher the value, the disclosure of each content element in the <IR> guide has been included in the company's 2019 annual report and sustainability report. If the average is carried out for the seven categories of content elements, 16 companies have a score of 4,496 and it can be concluded that most companies in 2019 are actually ready to publish an integrated reporting. Based on the opinion of Nazier and Umiyati (2015), the existence of integrated reporting and <IR> guidelines can provide benefits for the company in enhancing its ability to create value and interest for both domestic and foreign stakeholders where the company is located. The following discussion will be more detailed on each content element in <IR> and will show the value of each company and what the company needs to do to complete its disclosures to develop an integrated reporting.

Organizational Overview and External Environment

The following is the result of content analysis for the first content element, namely organizational overview and external environment:

Table 4. Result of Content Analysis of Organizational Overview and External Environment

No.	Code	Company Name	Result
1	ADRO	Adaro Energy Tbk.	3,154
2	ANTM	Aneka Tambang Tbk.	3,692
3	ASII	Astra International Tbk.	4,077
4	BBCA	Bank Central Asia Tbk.	3,846
5	BBNI	Bank Negara Indonesia (Persero) Tbk.	3,615
6	BBRI	Bank Rakyat Indonesia (Persero) Tbk.	3,846
7	BBTN	Bank Tabungan Negara (Persero) Tbk.	3,615
8	BMRI	Bank Mandiri (Persero) Tbk.	2,923
9	EXCL	XL Axiata Tbk.	3,000
10	JSMR	Jasa Marga (Persero) Tbk.	3,385
11	KLBF	Kalbe Farma Tbk.	3,000
12	PGAS	Perusahaan Gas Negara (Persero) Tbk.	3,923
13	PTBA	Tambang Batubara Bukit Asam (Persero) Tbk.	3,692
14	PTPP	PP (Persero) Tbk.	3,923
15	UNTR	United Tractors Tbk.	3,692
16	WSKT	Waskita Karya (Persero) Tbk.	3,615

Based on the results above, the highest value of the company is 4.077 (owned by Astra International, Tbk) or the average value of 16 companies is 3.563. In general, the 16 companies have fully disclosed the company's culture, ethics and values, quantitative information highlighting significant changes from the previous period, macro and micro economic conditions and political conditions in which the company is located which can affect the organization's ability to implement its strategy. However, for some explanations regarding the ownership and operating structure and analysis of market forces such as the relative strengths and weaknesses of competitors and customer demand, there is still little disclosure in the annual report and sustainability report. This first element explains what things a company or organization does to protect the environment in which they operate, so it is necessary to explicitly disclose the company's activities in order to enhance a good image for stakeholders and the public.

Governance

The following is the result of content analysis for the second content element, namely governance:

Table 5. Result of Content Analysis of Governance

No.	Code	Company Name	Result
1	ADRO	Adaro Energy Tbk.	3,40
2	ANTM	Aneka Tambang Tbk.	4,80
3	ASII	Astra International Tbk.	4,00
4	BBCA	Bank Central Asia Tbk.	4,80
5	BBNI	Bank Negara Indonesia (Persero) Tbk.	4,80
6	BBRI	Bank Rakyat Indonesia (Persero) Tbk.	5,00
7	BBTN	Bank Tabungan Negara (Persero) Tbk.	5,00
8	BMRI	Bank Mandiri (Persero) Tbk.	5,00
9	EXCL	XL Axiata Tbk.	5,00
10	JSMR	Jasa Marga (Persero) Tbk.	4,60
11	KLBF	Kalbe Farma Tbk.	4,60
12	PGAS	Perusahaan Gas Negara (Persero) Tbk.	5,00
13	PTBA	Tambang Batubara Bukit Asam (Persero) Tbk.	5,00
14	PTPP	PP (Persero) Tbk.	5,00
15	UNTR	United Tractors Tbk.	5,00
16	WSKT	Waskita Karya (Persero) Tbk.	5,00

Based on the results in table 5. and the average value in table 5. of 4.750 means that some companies have disclosed elements of governance very well because the value is close to the maximum value. The companies that are the object of research are divided into 3 companies in the mining sector, 5 companies in the finance sector, 3 companies in the infrastructure, utilities, transportation sector, 2 companies in the property, real estate and building construction sector, and 1 company each. in the missed industrial sector, consumer goods industry, trade, service, investment. The companies are included in LQ45 consecutively from 2017 – 2019, so their governance and operational activities are closely monitored.

In this element, governance is described in terms of organizational leadership structure, including skills and diversity (eg, different backgrounds, gender, competence, and experience); the specific processes used to make strategic decisions and to establish and monitor the culture of the organization, including its attitude to risk and mechanisms for

dealing with integrity and ethical issues; Specific actions taken by those charged with governance to influence and monitor the strategic direction of the organization and its approach to risk management; How remuneration and incentives are linked to value creation in the short, medium and long term, including how they are linked to their use and influence by organizations.

Business Models

The following are the results of content analysis for the third content element, which is the business model:

Table 6. Result of Content Analysis of Business Model Element

No.	Code	Company Name	Result
1	ADRO	Adaro Energy Tbk.	4,00
2	ANTM	Aneka Tambang Tbk.	4,40
3	ASII	Astra International Tbk.	3,40
4	BBCA	Bank Central Asia Tbk.	3,60
5	BBNI	Bank Negara Indonesia (Persero) Tbk.	4,20
6	BBRI	Bank Rakyat Indonesia (Persero) Tbk.	4,20
7	BBTN	Bank Tabungan Negara (Persero) Tbk.	4,20
8	BMRI	Bank Mandiri (Persero) Tbk.	3,80
9	EXCL	XL Axiata Tbk.	4,00
10	JSMR	Jasa Marga (Persero) Tbk.	3,20
11	KLBF	Kalbe Farma Tbk.	2,80
12	PGAS	Perusahaan Gas Negara (Persero) Tbk.	4,00
13	PTBA	Tambang Batubara Bukit Asam (Persero) Tbk.	3,80
14	PTPP	PP (Persero) Tbk.	3,80
15	UNTR	United Tractors Tbk.	2,80
16	WSKT	Waskita Karya (Persero) Tbk.	4,00

The company with the highest score in the business model element is Aneka Tambang, Tbk at 4.40. The average company has explained everything contained in the business model elements, but the disclosures explained are still few that are included in the annual report and sustainability report such as how the organization differentiates itself in the market, how the organization approaches the need to innovate, how the business model has been designed to adapt to change and explain both positive outcomes (that is, those that result in an increase in net capital and thereby create value) and negative outcomes (that is, results that result in a net decrease in capital and thus reduce value). Based on the assessment process and the results of the value on this element, it is necessary to determine guidelines for companies in disclosing their business models so that there is a standardized explanation of business models that stakeholders need to know.

Risks and opportunities

The fourth element, namely risks and opportunities, explains matters regarding the organization's assessment of the possibility that a risk or opportunity will produce results and the magnitude of the impact if this occurs. This includes consideration of the special circumstances that will cause the risk or opportunity to come to fruition. Such disclosure will always involve a degree of uncertainty. Additionally regarding the organization's approach to any real risk (whether short, medium or long term) that is fundamental to the organization's ongoing ability to create value and which could have extreme consequences, even when the

likelihood of their occurrence might be considered remote. From the explanation of the elements above, the results of content analysis are as follows:

Table 7. Result of Content Analysis of Risks and Opportunities

No.	Code	Company Name	Result
1	ADRO	Adaro Energy Tbk.	4,67
2	ANTM	Aneka Tambang Tbk.	5,00
3	ASII	Astra International Tbk.	4,67
4	BBCA	Bank Central Asia Tbk.	5,00
5	BBNI	Bank Negara Indonesia (Persero) Tbk.	5,00
6	BBRI	Bank Rakyat Indonesia (Persero) Tbk.	5,00
7	BBTN	Bank Tabungan Negara (Persero) Tbk.	5,00
8	BMRI	Bank Mandiri (Persero) Tbk.	5,00
9	EXCL	XL Axiata Tbk.	5,00
10	JSMR	Jasa Marga (Persero) Tbk.	5,00
11	KLBF	Kalbe Farma Tbk.	5,00
12	PGAS	Perusahaan Gas Negara (Persero) Tbk.	5,00
13	PTBA	Tambang Batubara Bukit Asam (Persero) Tbk.	5,00
14	PTPP	PP (Persero) Tbk.	5,00
15	UNTR	United Tractors Tbk.	5,00
16	WSKT	Waskita Karya (Persero) Tbk.	5,00

In general, most companies make complete disclosures in their reports, as can be seen from the maximum value of 5.00 owned by the 13 companies shown in the table above. This is possible because companies in Indonesia have a risk management and oversight committee from the Financial Services Authority (Febriyanti and Gunawan, 2016) and this is reflected in the annual report which contains the Risk Management sub-chapter. This is also because the object of research is a company listed on the Indonesia Stock Exchange and included in LQ45, so it must show good company performance and requires internal and external supervision to maintain this good performance.

Strategy and Resource Allocation

The fifth content element describes the short-medium-long term strategic goals of the organization, the strategies that exist or will be implemented to achieve these strategic goals. Then regarding the resource allocation plan that must be implemented the strategy, how to measure achievement and target results for the short, medium and long term. This element also describes the relationship between organizational strategy and resource allocation plans, what differentiates and has an organization to provide competitive advantage and enable it to create value. The following is the contents of the content analysis of this element:

Table 8. Result of Content Analysis of Strategy and Resource Allocation

No.	Code	Company Name	Result
1	ADRO	Adaro Energy Tbk.	4,00
2	ANTM	Aneka Tambang Tbk.	4,50
3	ASII	Astra International Tbk.	5,00
4	BBCA	Bank Central Asia Tbk.	5,00
5	BBNI	Bank Negara Indonesia (Persero) Tbk.	3,50
6	BBRI	Bank Rakyat Indonesia (Persero) Tbk.	5,00
7	BBTN	Bank Tabungan Negara (Persero) Tbk.	5,00

8	BMRI	Bank Mandiri (Persero) Tbk.	5,00
9	EXCL	XL Axiata Tbk.	5,00
10	JSMR	Jasa Marga (Persero) Tbk.	5,00
11	KLBF	Kalbe Farma Tbk.	5,00
12	PGAS	Perusahaan Gas Negara (Persero) Tbk.	5,00
13	PTBA	Tambang Batubara Bukit Asam (Persero) Tbk.	5,00
14	PTPP	PP (Persero) Tbk.	5,00
15	UNTR	United Tractors Tbk.	5,00
16	WSKT	Waskita Karya (Persero) Tbk.	5,00

Based on the table above, companies have disclosed strategies and resource allocations to carry out their strategies to achieve their goals. However, the allocation of resources is still only financial, even though company resources can come from employees or in terms of intellectual capital and natural utilization (Febriyanti and Gunawan, 2016).

Performance

Following are the results of content analysis for the sixth content element, namely performance:

Table 9. Result of Content Analysis of Performance

No.	Code	Company Name	Result
1	ADRO	Adaro Energy Tbk.	5,00
2	ANTM	Aneka Tambang Tbk.	5,00
3	ASII	Astra International Tbk.	5,00
4	BBCA	Bank Central Asia Tbk.	5,00
5	BBNI	Bank Negara Indonesia (Persero) Tbk.	4,00
6	BBRI	Bank Rakyat Indonesia (Persero) Tbk.	5,00
7	BBTN	Bank Tabungan Negara (Persero) Tbk.	5,00
8	BMRI	Bank Mandiri (Persero) Tbk.	5,00
9	EXCL	XL Axiata Tbk.	5,00
10	JSMR	Jasa Marga (Persero) Tbk.	5,00
11	KLBF	Kalbe Farma Tbk.	5,00
12	PGAS	Perusahaan Gas Negara (Persero) Tbk.	5,00
13	PTBA	Tambang Batubara Bukit Asam (Persero) Tbk.	5,00
14	PTPP	PP (Persero) Tbk.	5,00
15	UNTR	United Tractors Tbk.	5,00
16	WSKT	Waskita Karya (Persero) Tbk.	5,00

This sixth element explains that in an integrated reporting there is quantitative information regarding targets and organizational risks and opportunities, explaining their significance, implications, as well as the methods and assumptions used in compiling them. It then influences the organization (both positive and negative) on capital, including material effects on capital up and down the value chain and also describes the state of key stakeholder relationships and how the organization responds to the legitimate needs and interests of key stakeholders. Based on this explanation and the results of the values in table 5.8. means that each company has optimally disclosed the company's performance related to the past by comparing capital and its realization. According to Febriyanti and Gunawan (2016), several indicators in the performance elements have been listed in Bapepam and LK Regulations X.K.6, so that information regarding company performance must be included in every

publication of the annual report and sustainability report in a complete and transparent manner.

Outlook

The seventh element is expectations or outlook, namely regarding the organization's expectations about the external environment that the organization may face in the short, medium and long term, how it will affect the organization and how the organization is currently equipped to respond to critical challenges and uncertainties that may arise. So that the results of the disclosure of this element are as follows:

Table 10. Result of Content Analysis of Outlook

No.	Code	Company Name	Result
1	ADRO	Adaro Energy Tbk.	5,00
2	ANTM	Aneka Tambang Tbk.	5,00
3	ASII	Astra International Tbk.	4,00
4	BBCA	Bank Central Asia Tbk.	4,00
5	BBNI	Bank Negara Indonesia (Persero) Tbk.	5,00
6	BBRI	Bank Rakyat Indonesia (Persero) Tbk.	5,00
7	BBTN	Bank Tabungan Negara (Persero) Tbk.	5,00
8	BMRI	Bank Mandiri (Persero) Tbk.	5,00
9	EXCL	XL Axiata Tbk.	5,00
10	JSMR	Jasa Marga (Persero) Tbk.	5,00
11	KLBF	Kalbe Farma Tbk.	3,00
12	PGAS	Perusahaan Gas Negara (Persero) Tbk.	5,00
13	PTBA	Tambang Batubara Bukit Asam (Persero) Tbk.	4,00
14	PTPP	PP (Persero) Tbk.	5,00
15	UNTR	United Tractors Tbk.	5,00
16	WSKT	Waskita Karya (Persero) Tbk.	5,00

Based on the table above, the companies are quite good at explaining the information on this element. Even though they discuss expectations and estimates that may or may not occur in the future, the company discloses them based on experience in the previous period. So that the expectations and uncertainties in the future of the company that are disclosed in the annual report and sustainability report still have a close relationship with the reality of the results of the previous period.

CONCLUSION

Based on the discussion described in the previous chapter, it can be concluded that the annual report and sustainability report of 16 companies listed on the LQ45 according to the Indonesian Stock Exchange can prepare integrated reporting (IR) because most of the elements contained in IR have been disclosed in the annual report and sustainability report. , as evidenced by the value of the seven elements, namely organizational overview and external environment, governance, business model, risks and opportunities, strategy and resource allocation. and resource allocation), performance and expectations (outlook) are in the range of 3.563 – 4.958 from a maximum value of 5.000. Companies in Indonesia are able to make integrated reporting if they are supported by the government with clear provisions or standards and have competent human resources to assist in the report preparation process. Companies need to understand that the existence of integrated reporting brings benefits to companies and stakeholders in providing transparency regarding company activities from

input, process, output and monitoring activities on an ongoing basis. Then this report is more concise and easier to access in finding complete financial and non-financial information, when compared to when the annual report and sustainability report must be distinguished.

Suggestions that can be given for further research include subjectivity at the scoring stage when conducting content analysis on the company's annual report and sustainability report, so it is recommended that research like this be done in a team because it takes more than 1 person to do the scoring. Subsequent research can use integrated reporting directly in Indonesia to obtain more concrete and complete results regarding whether companies in Indonesia that issue IRs meet the criteria in the International <IR> Framework guidelines.

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