



## The Effect of Firm Size, Profitability, Public Share Ownership, and Leverage on Internet Financial Reporting (IFR) Disclosure

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**Abstract.** This study examines the effect of firm size, profitability, public share ownership, and leverage on Internet Financial Reporting (IFR) disclosure among energy sector companies listed on the Indonesia Stock Exchange (IDX) from 2022 to 2024. The analysis focuses on the content aspect of IFR disclosure. Using a quantitative approach and purposive sampling technique, 53 companies were selected as the research sample. Data were analyzed using multiple linear regression. The findings reveal that firm size, profitability, public share ownership, and leverage simultaneously have a significant influence on IFR disclosure. The study highlights the role of IFR in enhancing transparency and accountability, which can contribute to better corporate governance and, ultimately, support economic opportunities and social mobility.

**Keywords:** Firm Size, Profitability, Public Share Ownership, Leverage, Internet Financial Reporting

### INTRODUCTION

Internet Financial Reporting (IFR) has emerged as a new standard of transparency in financial information disclosure, aligning with the digitalization trend in the Industry 4.0 era. IFR transforms the conventional reporting system into a digital format and creates a dynamic, interactive financial information ecosystem [1]. One of the key technologies in IFR is the eXtensible Business Reporting Language (XBRL), an XML-based reporting system that enables automated processing and analysis of financial data, thereby facilitating access, monitoring, and comparison for investors, regulators, and other stakeholders [2]. In addition, real-time dashboards—interactive visual displays of financial performance indicators in the form of charts, graphs, and key matrices—allow stakeholders to obtain timely, relevant, and accessible information through corporate websites [2].

The primary qualitative characteristic of accounting information, *timeliness*, emphasizes the importance of delivering information promptly to ensure relevance in economic decision-making [3]. IFR offers this advantage through real-time presentation, supported by the internet’s wide reach, low cost, and efficiency [4]. Regulatory frameworks, such as the Financial Services Authority Regulation No. 51/POJK.03/2017, also encourage companies to disclose financial and sustainability information through digital platforms.

In Indonesia, internet penetration has exceeded 212.9 million users, representing approximately 77% of the national population, with annual growth between 3% and 7% [5]. Despite this, IFR implementation remains uneven in terms of interactive features, information timeliness, and disclosure quality. For example, many listed companies still limit their disclosures to static PDF files, without utilizing interactive tools such as XBRL or real-time dashboards [6].

Several energy companies have adopted advanced IFR practices. MedcoEnergi regularly publishes sustainability reports in a publicly accessible digital format [7], PLN Indonesia Power has developed platforms such as the Reliability Efficiency Optimization Center (REOC) and Maximo for real-time operational monitoring [8], and Pertamina has implemented integrated digitalization systems that optimize operational costs and provide real-time IFR [9]. These examples illustrate that IFR is not merely about making documents available online but about delivering interactive, timely, and transparent information.

Previous studies on IFR have shown mixed findings. Insani et al. [4] found that firm size

and profitability positively influence IFR practices. Sari and Fauzan [10] reported significant effects of leverage and firm size, while Pramudhani and Santioso [11] emphasized the influence of public share ownership. However, inconsistencies remain, opening opportunities for further research.

This study replicates Insani et al. [4], which analyzed the effects of firm size, profitability, public share ownership, and leverage on IFR in the food and beverage subsector during 2020–2022, but extends the context to the energy sector for the 2022–2024 period. The energy sector is strategic, with long-term investment characteristics, environmental risks, and higher transparency expectations. Moreover, research specifically focusing on IFR in this sector remains limited.

The primary objective of this study is to examine the effects of firm size, profitability, public share ownership, and leverage on IFR disclosure in energy sector companies listed on the Indonesia Stock Exchange (IDX) during 2022–2024. This period reflects the acceleration of financial reporting digitalization amid increasing adoption of information technology to enhance efficiency and performance [12]

## METHODS

### A. Research Design

This study employs a descriptive quantitative research method to examine the influence of independent variables through statistical techniques or other measurements [13]. Descriptive research is applied to identify and understand the values of one or more independent variables in detail. The method aims to provide an overview of variables such as firm size, profitability, public share ownership, and leverage, as well as their relationship with Internet Financial Reporting (IFR) disclosure as the dependent variable. Multiple linear regression analysis is applied with the assistance of SPSS software to test these relationships.

### B. Population and Sample

The population is defined as the entire set of elements, either individuals or institutions, that are the focus of a study [14]. In this research, the population consists of all energy sector companies listed on the Indonesia Stock Exchange (IDX). A sample is a subset of the population selected using a certain sampling method [14]. Since the population size is large, this study uses Slovin's formula to determine the representative sample size:

$$n = \frac{N}{1 + (N \times e^2)}$$

Thus, 47 companies are selected as the sample using a purposive sampling technique with the following criteria:

1. Energy sector companies listed on the IDX during 2022–2024.
2. Companies that have an official website.
3. Companies that publish financial information in the form of IFR during 2022–2024.
4. Companies that recorded a profit during 2022–2024.

### C. Data Source and Type

The data used in this study are obtained from financial statements for 2022–2024 of energy sector companies listed on the IDX, accessed through the IDX official website and the companies' websites. This study uses secondary data, which refers to data collected from various written sources [13].

### D. Data Collection Technique

This study applies the documentation method, which involves collecting data from documents, archives, and other written materials [15]. The data include financial statements, annual reports, journal articles, literature, and other relevant sources to support the research analysis.

### E. Data Analysis Method

Multiple linear regression using SPSS, with steps including: (1) Descriptive statistics (mean,

min, max, SD), (2) Classical assumption tests: normality (Kolmogorov-Smirnov), multicollinearity (VIF), autocorrelation (Durbin- Watson), heteroscedasticity (Glejser), (3) Regression analysis to assess effects of firm size, profitability, public share ownership, and leverage on IFR disclosure, (4) Hypothesis tests: F-test, t-test, and R<sup>2</sup>

## RESULTS AND DISCUSSION

### A. Sample Overview

The study examines 90 energy sector companies listed on the Indonesia Stock Exchange (IDX) during 2022– 2024. Using purposive sampling based on criteria such as having an official website, publishing IFR-based financial information, and reporting positive net income, a total of 53 companies were selected, resulting in 159 firm-year observations.

### B. Descriptive Statistics

Descriptive statistics summarize the characteristics of each variable, including firm size, profitability, public share ownership, leverage, and IFR disclosure, as presented in **Table 1**.

**Table 1.** Descriptive Statistics

|                    | N   | Minimum | Maximum | Mean    | Std. Deviation |
|--------------------|-----|---------|---------|---------|----------------|
| Ukuran Perusahaan  | 159 | 14.85   | 29.17   | 21.8527 | 3.65285        |
| Profitabilitas     | 159 | .00     | .79     | .1381   | .15865         |
| Kepemilikan Publik | 159 | .02     | .80     | .2734   | .16254         |
| Leverage           | 159 | .02     | 10.79   | 1.1018  | 1.38446        |
| IFR                | 159 | .47     | 1.00    | .8260   | .12225         |
| Valid N (listwise) | 159 |         |         |         |                |

### C. Classical Assumption Tests

All classical assumption tests were satisfied: (1) Normality test: residuals normally distributed ( $p > 0.05$ ), (2) Multicollinearity: no indication (Tolerance  $> 0.10$ , VIF  $< 10$ ), (3) Autocorrelation: none detected (Durbin–Watson = 1.005), (4) Heteroskedasticity: none detected ( $p > 0.05$  for all variables).

### D. Regression Analysis

Multiple linear regression results summarize the effects of firm size, profitability, public ownership, and leverage on Internet Financial Reporting (IFR) disclosure, as presented in **Table 2**.

**Table 2** Hasil

| Model              | Unstandardized Coefficients |            | Standardized Coefficients | t     | Sig. |
|--------------------|-----------------------------|------------|---------------------------|-------|------|
|                    | B                           | Std. Error | Beta                      |       |      |
| (Constant)         | 1.416                       | .242       |                           | 5.841 | .000 |
| Ukuran Perusahaan  | 1.035                       | .237       | .295                      | 4.367 | .001 |
| Profitabilitas     | .130                        | .039       | .282                      | 3.333 | .006 |
| Kepemilikan Publik | .154                        | .062       | .197                      | 2.484 | .019 |
| Leverage           | .316                        | .082       | .155                      | 3.854 | .003 |

### E. Model Feasibility Test (F-Test)

The F-test was performed to assess the simultaneous significance of the independent

variables in explaining IFR disclosure. Table 3 shows the results.

**Table 3 F-Test**

| <b>Model</b> | <b>Sum of Squares</b> | <b>df</b> | <b>Mean Square</b> | <b>F</b> | <b>Sig.</b> |                   |
|--------------|-----------------------|-----------|--------------------|----------|-------------|-------------------|
| 1            | Regression            | 3.788     | 4                  | .947     | 17.867      | .000 <sup>b</sup> |
|              | Residual              | 8.228     | 154                | .053     |             |                   |
|              | Total                 | 12.016    | 158                |          |             |                   |

## F. Hypothesis Testing Results

Hypothesis testing in this study was conducted using partial t-tests in the multiple linear regression model. The results indicate that firm size has a t-value of 4.367, which is greater than the critical t-value of 2.018, meaning it has a significant effect on Internet Financial Reporting (IFR). Profitability shows a t-value of 3.333 > 2.018, indicating a significant positive influence on IFR. Public ownership has a t-value of 2.484 > 2.018, also showing a significant impact on IFR; a larger proportion of public ownership increases the pressure to disclose information transparently via the internet. Leverage yields a t-value of 3.854 > 2.018, signifying a significant effect on IFR. Companies with higher debt levels tend to enhance information disclosure to maintain the trust of investors and creditors.

## CONCLUSIONS

This study concludes that Firm Size, Profitability, Public Ownership, and Leverage have positive and significant effects on Internet Financial Reporting (IFR) disclosure among energy sector companies listed on the Indonesia Stock Exchange (IDX) during the 2022–2024 period. These findings indicate that companies exhibiting these characteristics tend to be more transparent in their online financial reporting.

## ACKNOWLEDGMENTS

The authors would like to express their sincere gratitude to the Department of Accounting, Universitas Respati Yogyakarta, for the academic support and guidance throughout this research. Special thanks are also extended to the management and staff of the Indonesia Stock Exchange (IDX) for providing access to the data used in this study. Lastly, the authors would like to thank their families and colleagues for their encouragement, motivation, and invaluable support during the completion of this research.

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