DETERMINANT SUSTAINABILITY REPORTING COMPANIES LISTED ON THE INDONESIA STOCK EXCHANGE POST E-COMMERCE IMPLEMENTATION

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ABSTRACT

This study aims to determine the factors that influence sustainability reports on companies listed on the Indonesia Stock Exchange. The influencing factors consist of the company's leverage and profitability before and after the implementation of e-e-commerce. The study was designed as a correlational study with a sampling technique using the purposive sampling method. The study's results using Multiple Linear Regression Analysis in banking companies show that profitability has a significant positive effect on the Sustainability Reporting of companies listed on the IDX. Leverage has a significant positive effect on the Sustainability Report of banks listed on the IDX. There are differences in implementing sustainability reports before and after the implementation of e-commerce.

Keywords: *Profitability, Leverage, e-commerce, and Sustainability Reporting*

INTRODUCTION

Demands and choices about new and innovative ways of thinking are one of the sustainable development challenges. Sustainable development aims to meet the needs of the present generation without compromising the ability to meet those needs for generations to come. GRI, (2006). The company has responsibility for interested parties (stakeholders). Some companies focus too much on stakeholders who contribute directly and ignore the social and environmental impacts of the company's activities.

The rapid and dynamic development of technology had a wrong impact on the banking sector; the growth of innovation and intense competition at this time influenced the company's strategy to survive in all conditions. The purpose of establishing a company is to seek profit or profit, as well as fulfill the wishes of stakeholders in developing the company's activities to be more good. Companies have an essential role in economic development because they are active contributors to state revenue. Anggraeni (2018).

Companies achieving sustainability reporting need a global framework with consistent and measurable language to make it more transparent and easier to understand. Companies are expected to prioritize not only the interests of management and owners of capital (investors and creditors) but also employees, consumers, and society. In research by Widianto (2011), Disclosure of sustainability report, company size is a characteristic of companies that influences the Disclosure of the sustainability report. The bigger the company, the bigger the expenses in the company realize the legitimacy of the company; this is because the company will tend to disclose more information.

Several government regulations support the Disclosure of sustainability reports in Indonesia itself, including Law no. 23 of 1997 concerning the environment, Law no. 40 Article 66 paragraph 2, and Article 74 of 2007 regarding social responsibility obligations company. The decision of the chairman of BAPEPAM and Financial Institutions through No. Kep-134/BL/2006 also requires the company's annual financial statements to at least describe the activities and costs incurred related to the company's social activities. In addition, the Statement of Financial Accounting Standards (PSAK) No. 1 about responsibility on the financial statements, paragraph 9 (nine) implicitly recommends disclosing environmental and social issues in a supplementary report on environment and value-added.

E-commerce is the integration between technology, globalization, and telecommunications online and the internet (electronic). In most companies, e-commerce is the main wing that supports its progress. The existence of e-commerce in the banking sector has brought rapid development. Sophisticated computer systems and equipment adequate support to provide new things to the banking world to continue developing. In the current era, banking has used an online system and the internet. The progress of the banking sector is no longer limited to ATMs but develops with internet banking, online banking, and E-cash.

THEORETICAL BASIS

Legitimacy Theory

Interest in entrepreneurship is a psychological symptom that focuses on attention and doing something about entrepreneurship with a feeling of pleasure because it brings benefits to himself (Christera & Faith, 2010). Yudrik (2011: 63) reveals that interest is an encouragement that causes the attachment of individual attention to exclusive objects such as work, study, objects, and organizations. Interest in entrepreneurship can also be defined as a person's desire to work independently (Self-employed) or run his business (Budiati et al., 2021).

Entrepreneurship Education

According to Dowling and Pfeffer in 1975, proposed by Ghozali (2007:411), legitimacy is vital in organizations; it contains boundaries imposed by social norms and values, and reactions against these limitations encourage the importance of organizational behavior analysis by paying attention to the environment. Legitimacy theory asserts that companies continually strive to ensure that they operate within the framework and norms in society or the environment where the company is located, where they seek to ensure that outsiders accept their activities (companies) as "legitimate." Deegan, (2004).

Stakeholder Theory

Stakeholders have an essential role in the survival of a company. Because stakeholders have the power to control the resources needed in the company's operational activities, by, Therefore, companies must maintain relationships with stakeholders by accommodating existing wants and needs, especially stakeholders who have power over the availability of resources used for activities of company operations, such as employees, customers, and owners. Ghozali, (2007).

Sustainability Report

A *sustainability report* is a report that contains practices in measuring and disclosing the company's social and environmental activities, as a responsibility to internal and external stakeholders regarding the organization's performance in realizing goals of sustainable development. GRI, (2013).

Profitability

According to Sukmono (2018), the profitability ratio is a ratio that aims to determine the company's ability to generate profits during a specific period and also provide an overview of the level of management effectiveness in carrying out activities of the operation. The profitability ratio is a ratio that describes the ability the company makes a profit through all existing capabilities and sources such as sales activities, cash, capital, number of employees, branches, etc.

Profitability in this study is measured by the ratio, Return On Assets (ROA). Return on Assets (ROA) is used to compare moving companies in the same field or company performance from one period to the next. Return on Assets (ROA) is an overall measurement of profitability.

Leverage

According to Kasmir (2014:153), leverage is the ratio used to measure the extent to which the company's activities are financed by debt. Excessive use of debt will endanger the company because the company will be included in the extreme category leverage (extreme debt), i.e., the company is trapped in high and challenging debt levels to release the debt burden.". The measuring instrument used is the Debt to Equity Ratio, Debt to Equity Ratio, or Debt Equity Ratio is a financial ratio that shows the relative proportion between Equity and Debt used to finance the company's assets. Debt to Equity This Ratio (DER), or Debt Ratio to Equity, is calculated by taking the total liabilities (Liabilities) and dividing them by Equity (Equity).

E-Commerce

Electronic commerce (e-commerce) is the process of buying, selling, or exchanging products, services, and information via computer networks. E-commerce is part of e-business, with a broader scope of e-business, not just commerce but also a collaboration with business partners, customer service, job vacancies, etc. In addition to website network technology, e-commerce also requires database technology or databases (databases), e-mail or electronic mail (e-mail), and forms of technology other non-computer systems such as goods delivery systems and payment instruments for e-commerce (Siregar, 2010).

HYPOTHESES

Based on the theoretical review and previous research that has been described previously, the research hypothesis can be formulated as follows:

H1: Profitability has a significant effect on the sustainability report.

H2: Leverage has a significant effect on the sustainability report.

H3: There are differences in sustainability reports before and after the implementation of E-commerce.

METHOD

The population of this study is banking companies listed on the Stock Exchange Indonesia. Sampling technique using a purposive sampling method. The criteria used as samples in this study are as follows:

1. It is a banking sub-sector company listed on the Indonesia Stock Exchange for the 2013-2019 research period.
2. We are implementing an e-commerce system in 2017-2019 with data available in quarterly financial reports on the Indonesia Stock Exchange.
3. Financial reports are available for one to two years before and after implementing e-commerce.
4. Companies listed in IDX have implemented Sustainability Reporting.

The data used in this research is secondary data. Because the data used in connection with this research is financial statement data for three months, for the period 2013-2019, and the data collection methods used in this study are documentation methods.

RESULTS AND DISCUSSION

Testing Model 1 The Effect Of Profitability And Leverage On Sustainability Report.

Table Multiple Linear Regression Analysis Results

Model	Unstandardized Coefficients	Coefficients	Standardized Coefficients Beta	t	Sig.
B	Std. Error	Beta			
1	(Constant)	,304	,018	17,235	,000
X1	,778	,255	,281	3,045	,003
X2	,012	,003	,402	4,353	,000

Profitability Variable (X1)

Based on the table, it is known that profitability has a coefficient value of 0.778 and t count of 3.045 with a sig.t value of 0.003. This indicates that the significance value obtained is 0.003, smaller than the specified alpha value (0.05). The decision maker is if sig.t is less than 0.05, then H1 di Accept while H0 is rejected. The Profitability variable (X1) has a significant positive effect on the Sustainability Report

(Y). If profitability has increased, the Banking Sustainability Report will increase. On the other hand, if profitability has decreased, then The Sustainability Report will experience a decrease. The results of this study support the research of Widianto (2011), Liana (2019), and Setiawan (2019), which states that profitability has a significant effect on the Sustainability Report.

Leverage Variable (X2)

Based on the table, it is known that Leverage's coefficient value of the independent variable is 0.012, and the t value is 4.353 with a sig.t value of 0.000. This shows that the significance value obtained is 0.000 less than the alpha value (0.05), which means that if sig.t is less than 0.05. then H2 in Accept and H0 in Reject. This means that the Leverage (X2) variable partially has a significant positive effect on the Sustainability Report (Y). It means that if Leverage increases, the Sustainability Report will increase. On the other hand, if Leverage decreases, the Sustainability Report will also decrease. The results of this study are in line with the results of Widianto's (2011) research, which states that Leverage has a significant effect on the Sustainability Report.

Testing Model 2 Differences Of Sustainability Report Before And After E-Commerce.

Table *Paired Samples Test*

		t	df	Sig. (2-tailed)
Pair 1	Y Sebelum Penerapan E-Commerce - Y Sesudah Penerapan E-Commerce	3,594	47	,001

Based on the table in the different tests, it is known that the significant value in the study is this is worth 0.001. This means that H3 is accepted and H0 is rejected, thus proving that the sustainability report before and after the implementation of E-commerce experience a significant difference.

Table of differences in sustainability reports before and after the implementation of E-commerce

	Minimum	Maximum	Mean	Std. Dev
Sustainability report before implementing E-commerce	,68	,71	,6923	,00692
Sustainability report after the implementation of E-commerce	,71	,81	,7640	,03072

Based on the table, it is known that the value of the sustainability report before the implementation of E-commerce has a minimum value of 0.68, a maximum value of 0.71, an average value of 0.6923, and a standard deviation of 0.00692 while the value of the sustainability report after the implementation of E-commerce has increased from before the application of E-commerce, namely the minimum value from 0.68 to 0.71, the maximum value from 0.71 to 0.81, the average value from 0.6923 to 0.7640 and the standard deviation from 0.00692 to 0.03072. This proves that, seen from the data description, the application of e-commerce can affect the difference in sustainability reports.

This proves that e-commerce is an electronic tool that can connect the company with stakeholders who are parties who have interests in the company more easily receive information about sustainability reports, so that with e-commerce, the company will be more improve the disclosure of information, especially the sustainability report.

CONCLUSION

1. Profitability significantly affects the Bank's Sustainability Report, which is listed on the IDX.
2. Leverage has a significant positive effect on the banking Sustainability Report, which is listed on the IDX.
3. There are differences in implementing sustainability reporting before and after implementing e-commerce.

Based on the description that has been described above, the suggestions which can be stated are as follows:

1. For further research, it is expected to be able to conduct research in other sectors such as automotive, mining, and real estate.
2. Further researchers, it is expected to add other variables such as liquidity, and company size (Widianto, 2011)

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