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IMPLEMENTATION OF INTEGRATED REPORTING: A CROSS-COUNTRIES' STUDY*

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Abstract. This study aims to provide a comprehensive comparative study about the implementation of integrated reporting in four countries, Indonesia, South Africa, Japan, and Singapore. Using content analysis, we document that, in terms of elements of integrated report content firms listed in the two countries in which integrated reports are not mandatory, Japan and Singapore, are equal with South Africa, which requires its listed firms to publish integrated report. We also document that, in Indonesia, the five firms selected are shown to outline most of the elements of integrated reporting content and its principles guidelines even though it's not comprehensive

Keywords: Integrated Reporting; Indonesia; value creation; investment information

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1. Introduction

Asymmetry information is always present in markets. As result, markets demand more future oriented and detailed information which will improves market efficiency (Ernst & Young, 2014). Those needs have already been attempted to be addressed by issuing sustainability reports or corporate social responsibility reports, but are not fully integrated with firms' annual reports (KPMG, 2011). Originally intended to provide additional information to stakeholders, instead it became a boomerang by providing too much information at once. Information disclosed by firms is not simply a matter of the amount of information, but rather integrating it so it can create value, either in the short, medium, or long term. These phenomena drive a new framework called Integrated Reporting (IR) that focuses on nonfinancial information and data, creating a motivation for long-term

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investments related to environmental, social, governance (ESG) and financial factors that parallel with financial reporting (Pavlopoulos, Magnis, & Iatridis, 2019). IR can hopefully serve as a breakthrough in terms of the previous reporting format constraints of conventional financial reporting and sustainability, by providing information and perspectives which are more comprehensive, integrated, effective, and transparent in one reporting format (Brown & Dillard, 2014; Cheng, Green, Conradie, & Romi, 2014; Lai, Melloni, & Stacchezzini, 2018; Reuter & Messner, 2015).

Basically, IR is classified as subjective compared to financial reporting as it reports both historical and prospective data that shares quantitative and qualitative characteristic (Maroun & Atkins, 2015; Simnett, 2015). As implied by The International Integrated Reporting Council (IIRC), information provided by a financial reporting framework does not help managers to create long-term future forecast and strategies (Pavlopoulos et al., 2019) as mostly it omits structural data, such as ESG information (KPMG, 2013). It makes stakeholders lack of knowledge on how firms deal with long-term challenges and issues if they only rely on financial reporting.

As needs to be noted, IR does not simply eliminate short-term information and only focus on long-term ones, rather, it provides both financial and non-financial information (Ioannou & Serafeim, 2015) which means management can monitor and control current firm operations (Eccles, Krzus, & Tapscott, 2010, p. 252; IIRC, 2013; Potter & Soderstrom, 2017) and at the same time provide information to stakeholders about a firm's strategies (Abeysekera, 2013). By integrating both financial information in financial reports and ESG information, mostly composed in sustainability reports, IR provides insight that firms not solely focus on profit numbers but also sustainable decisions and long-term objectives so that stakeholders can measure how a firm is actually performing (Adams, 2015; IIRC, 2011).

Contrary with benefits offered by IR, all listed firms are only required to disclose their financial reporting in annual reports whereas non-financial information is not mandatory. Currently, IR has been only mandatory in the Johannesburg Stock Exchange (JSE), South Africa, while, in others, it is mostly as voluntary reporting (Burke & Clark, 2016). An additional point about IR, as it still new and unfamiliar, is that it has no standard format, so stakeholders are required to make investment decisions and associate sustainability with economic valued based on the internet (Eccles & Saltzman, 2011). This issue means firms can simply decide what elements of IR are disclosed. Matters are worsened by the fact that IR is not mandated to be audited, so the assurance of IR itself becomes the responsibility of the firm itself based on their Corporate Governance (IIRC, 2013) and the standard on establishing assurance level of IR is very limited (Warren, 2018). From the point of view users, most stakeholders view IR as secondary information sources (Rensburg & Botha, 2014) as they don't completely understand its beneficial aspects. It can be concluded that there are disparities between the theory of usefulness of IR and the implementation process, as it not shown to be as smooth as expected.

This study aims to provide a comprehensive-comparative study about the implementation of IR in four countries. We select South Africa, Japan and Singapore as comparative countries with Indonesia in terms of implementation of IR in each country. First, we describe implementation of IR in the first three countries and compare each with the other to provide insight on the practices of IR in a country that mandates the IR implementation (South Africa) and countries that do not mandate (Japan and Singapore). Further, we discuss implementation of IR in Indonesia, as it is that lagged with Japan and Singapore in terms of IR implementation. It becomes interesting to study as Indonesia ranked 8th of largest Gross Domestic Products-Purchasing Power Parity in 2016 and is forecast to be ranked 5th in 2030 and 4th in 2050 (PwC, 2014, 2017). Imagining those economic potentials of Indonesia synchronized with fully implemented IR would be fruitful for Indonesia and this study is interested in that matter.

Our sample consist of four countries: South Africa, Japan, Singapore, and Indonesia, of which, for the first three countries, we select two listed firms, one in financial industries and the other in non-financial industries. This

selection criteria is chosen based on the financial and non-financial industries not sharing similar reporting standards. As for Indonesia, we select five listed firms that already implement IR to provide better insight on the IR implementation process in Indonesia. For each selected firm, we identify its IR based on its principles guideline and elements of content and compare it for each country.

We document that, in terms of elements of IR content, firms listed in both countries where IR is not mandatory, Japan and Singapore, these are equal with South Africa which requires its listed firms to publish IR. However, as regard principles guideline of IR, Japan and Singapore are lagged with South Africa. It is concluded that, in order to maximize the implementation of IR, government needs to devise regulations that force firms to create and publish IR. In Indonesia itself, the five firms selected show outlines of most elements of IR content and its principles guideline, even it's not comprehensive. Further, we found that the description of elements of IR content and its principles guideline is not as detailed and profound as other countries.

The rest of this manuscript is as follows: section 2 provides the institutional setting of Indonesia, section 3 discusses the adopted research methodology and, in section 4, we elaborate our research findings. This manuscript ends in section 5 which outlines our conclusion, implication, and future research recommendation.

2. Integrated Reporting Needs Worldwide

2.1. The Urgencies of Integrated Reporting in Indonesia

Indonesia's modern economy has been long in the making, shaped by periods of extended prosperity, a major socioeconomic and political crisis in the late 1990s, and a strong and sustained recovery during the past 20 years (Asian Development Bank, 2010; Breuer, Guajardo, Guajardo, Kinda, & Fund, 2018; Oberman, Dobbs, Budiman, Thompson, & Rosse, 2012; Sasongko, Hunga, Julana, Wahyudi, Leliak, & Huruta, 2019; Sasongko, Huruta, & Wardani, 2019).

Positioned as 8th in terms of largest Gross Domestic Products-Purchasing Power Parity in 2016 and forecast to be ranked 5th in 2030 and 4th in 2050 (PwC, 2014, 2017), inflation has shown decreasing trends from double into single figures and government debt as share of GDP is now lower than the majority of advanced economies.

Indonesia is also strategically positioned in that it is located in heart of the resurgence in Asia. For the next 15 years, approximately 1.8 billion people will join the global consuming class of which more than percent lie within Asia (Dobbs et al., 2012). This phenomenon will drive in its home economic region promises of an abundance of demand for the resources and commodities that the country supplies (Oberman et al., 2012) including Indonesia. Indonesia's business development speed will be boosted rapidly, creating a surge of how business practices information are demanded both from local and foreign investors. Business information needs must be detailed yet easy to comprehend in order to make investment decisions in the short and long-term period.

Indonesia's listed firms need to capture this market need by providing appropriate reporting that serves the needs of the market yet at the same time is efficient and effective. Based on *Otoritas Jasa Keuangan*, a statutory body that regulates the Indonesia Stock Exchange, currently Indonesia has three common kinds of reporting, which are annual report, sustainability report, and financial report for listed firms. Unfortunately, these reports contents have overlapped each other, such as corporate social responsibility activities are disclosed in both annual report and sustainability report. These practices are aggravated by different framework guidelines to be followed for each type of report.

The implementation of IR in Indonesia should address these problems. The information provided by IR will be more concise and easier to understand as there will be no more overlapping of contents. IR provides a holistic and

integrated representation of the company's performance in terms of both its finance and its sustainability (IRCSA, 2011), which is suitable for Indonesia's current reporting issue.

2.2. Integrated Reporting in South Africa, Japan, and Singapore.

We select South Africa as comparative country as only in the Johannesburg Stock Exchange (JSE) is IR mandatory (Burke & Clark, 2016). Another justification for selecting South Africa is that it has highest quality in terms of IR worldwide (Eccles, Krzus, & Solano, 2019). As for Japan and Singapore, we select those countries as they are located in Asia and thus share similar characteristics of Indonesia. Japan and Singapore also have advanced economies that are suitable for IR implementation.

3. Research Methodology

This study uses qualitative methods in terms of data collection and analysis. The researchers used the literature review method to answer the research questions. Literature sources consisted of e-books, international journals, and various government regulations. Multiple case studies also support to address research question. This is because the researchers want to understand the five companies in Indonesia that have claimed to implement IR. Multiple case studies are needed because each case in the company can show something similar or different. Multiple case studies allow researchers to dig deeply into a phenomenon.

Content analysis is used to answer the fourth research question about IR implementation in Indonesia compared to other companies in the world. The researchers used an integrated report from five companies in Indonesia, two Japanese companies, two companies in Singapore, and two companies in JSE South Africa. This foreign company was chosen because it was registered on the IIRC website. The researchers analyzed the aspects of the content element and guiding principle of the published IR and concluded that the unit of analysis in this research is the implementation of integrated reporting in companies in Indonesia, Japan, Singapore and South Africa.

In content analysis, researchers will use descriptive statistical analysis to see the differences and similarities in the IR elements revealed by each company and also the type of industry. Researchers will provide descriptions and mapping in the form of graphs or diagrams to facilitate the mapping of IR elements revealed in each industry. This mapping is expected to provide a more comprehensive analysis related to the implementation of IR in companies in Indonesia.

4. Result and Discussion

4.1 The Implementation of Integrated Reporting in Japanese, Singaporean, and South African State Companies as seen from the Concept / Framework, Elements, Content

Based on 226 integrated reporting researches from 2010-2020 in the library database, Scopus, as of April 2019, there were a total of 33 researches that discussed integrated reporting. There were 30 researches in South Africa (90.9%), one in Japan (3.0%), and two in Singapore (6.1%). See Figure 1.

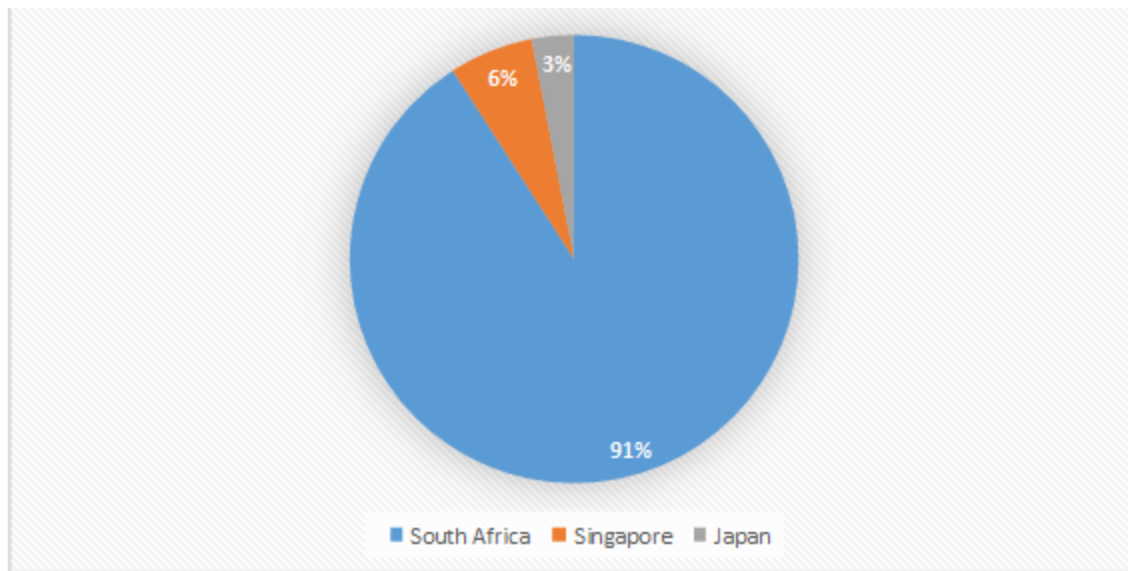


Figure 1. The Distribution of Integrated Report Research

4.1.1. Examples of Integrated Reports Implementation in Companies in Japan, Singapore and South Africa

4.1.1.1. Integrated Reporting Research in South Africa

There were 31 integrated report studies in South Africa from 2010-2020. Most of the integrated report research in South Africa discusses the use, implications, and application of the integrated report. From 30 integrated report studies on South Africa, the researchers found 19 studies that used qualitative methods (63.34%), 10 studies that used quantitative methods (33.34%), and one study that used a combination of qualitative methods and quantitative (3.34%). From the research that discusses integrated reports in South Africa, the researchers conclude that the integrated report contains much information that has a good impact on the company, even though there are still doubts from its users.

Classification according to the topic shows that there are 16 (53.34%) researches which address the implementation of the integrated report, which explain how companies report and integrate a company's multiple financial statements into a single unit. With the implementation of the integrated report, companies in South Africa assume that they will be able to be transparent and responsible for the reports they make, and can communicate the company's ability to create and maintain value. Companies that are well-established in integrated reporting and show a positive experience will also have an impact on performance. Furthermore, companies can also simultaneously show their behavior through an integrated report.

There are seven studies (23.34%) that explain the effect of the implementation of the integrated report on the company. The introduction of integrated reports in South Africa has undoubtedly increased the level of information disclosure about the six capitals, which includes human capital, financial capital, manufactured capital, intellectual capital, social and relationship capital, and natural capital of companies listed on the JSE (Johannesburg Stock Exchange). It was also found that integrated reports can reduce information processing costs in companies with complex operating and information environments while increasing the integrated performance of a company.

In addition, there are three (10%) researches which discuss the relationship between integrated reporting and the Audit Committee in the company. It can be concluded that the Audit Committee ability and Audit Committee

meeting are positively related to the quality of integrated reporting quality. Some research also shows that the effectivity of the whole audit committee function has strong positive relationship with the quality of integrated reporting practice.

4.1.1.2. Integrated Reporting Research in Singapore

There are two studies that discuss integrated reporting in Singapore. Both are exploratory studies. One study discusses the application of integrated reporting at the Development Bank of Singapore (DBS), and another study discusses the overall public companies in Singapore. The results of both studies indicate that integrated reporting has a good impact on the company. Although integrated reporting in Singapore is still currently voluntary, Singapore is ready and able to apply integrated reporting to all companies.

4.1.1.3. Integrated Reporting Research in Japan

There is only one research on integrated reporting in Japan and which explains the impact. This study combines two methods, namely the case study method in Japanese companies and the interview method of Mitsubishi Heavy Industries company employees. From this study, it can be concluded that the impact of the implementation of the integrated report in Japan improves company performance. However, the interviews concluded that implementing mandatory integrated reports required organizational culture reform.

4.1.2. The Implementation of Integrated Reporting

Tables 4.1, 4.2, 4.3 and 4.4 are tables of integrated reporting implementations for companies in South Africa, Japan, and Singapore.

4.1.2.1. Financial Company

Table 4.1. Comparison of Integrated Report Content Element

Element	South Africa	Japan	Singapore
Organisational overview and external environment	✓	✓	✓
Business Model	✓	✓	✓
Outlook	✓	✓	✓
Basis of Preparation and Presentation	✓	✓	✓
Strategy and Resource Allocation	✓	✓	✓
Risks and Opportunities	✓	✓	✓
Governance	✓	✓	✓
Performance	✓	✓	✓

Table 4.2. Comparison of Integrated Report Guiding Principles

Guiding Principles	South Africa	Japan	Singapore
Strategic focus and future orientation	✓	✓	✓
Information Connectivity	✓	✓	-
Relationships with stakeholders	✓	✓	✓
Materiality	✓	✓	✓
The compactness of the content	✓	-	-
Reliability and completeness	✓	✓	✓
Consistency and comparability	✓	✓	✓

4.1.2.2. Non-Financial Company

Table 4.3. Comparison of Integrated Report Content Element

Element	South Africa	Japan	Singapore
Organisational overview and external environment	✓	✓	✓
Business Model	✓	✓	✓
Outlook	✓	✓	✓
Basis of Preparation and Presentation	✓	-	✓
Strategy and Resource Allocation	✓	✓	✓
Risks and Opportunities	✓	✓	✓
Governance	✓	✓	✓
Performance	✓	✓	✓

Table 4.4. Comparison of Integrated Report Guiding Principles

Guiding Principles	South Africa	Japan	Singapore
Strategic focus and future orientation	✓	✓	✓
Information Connectivity	✓	✓	✓
Relationships with stakeholders	✓	✓	✓
Materiality	✓	-	✓
The compactness of the content	✓	✓	✓
Reliability and completeness	✓	✓	✓
Consistency and comparability	✓	✓	✓

4.1.3. Comparison of Content and Guiding Principles of Integrated Reporting

Researchers took six samples of companies from the countries studied, namely two samples of South African companies, two samples of Singapore companies, and two samples of Japanese companies. Data are taken from the Integrated Reporting Examples Database IIRC (International Integrated Reporting Council).

4.1.3.1. South Africa and Japan

First, the researchers analyzed the 2016 Annual Report from Mitsui & Co. PLC is a publicly-traded company and is engaged in finance. In the Annual Report published by the company, the Mitsui value creation process, including its business model, is shown in full on pages 26-31 (Appendix 3). The business model explains the five types of capital inputs and how these are transformed through integrated core corporate functions and business activities to provide industry solutions that create value. The company also includes a diagram that provides a clear picture of the company's main business activities, including the purpose of these activities. This diagram also identifies potential challenges in meeting changing needs and shows the connectivity of its various product segments in its seven leading strategic domain value chains.

Second, the researchers analyzed the integrated reporting on the Dentsu PLC in 2017. Dentsu shows an overview of the organization that is in line with the guiding principles of the Integrated Reporting Framework paragraph 3C, namely stakeholder relations. This section begins with a clear description of the company's philosophy and business activities supported by crucial quantitative information, including the number of employees and the countries in which they operate (4.5). The company also explains through a leadership statement, an overview of

future industry trends (4.6-4.7) and stakeholder expectations, demonstrating their understanding of changing stakeholder needs, and highlighting how they responded (Appendix 4).

Integrated reporting in Japan is not an obligation (mandatory), so it is still applied voluntarily (voluntary), whereas in South Africa it is mandatory. In general, the integrated report in South Africa has covered the IIRC framework standards in full, while, in Japan, it is still incomplete. The problem is that one company still does not cover one of the points from the guiding principles of integrated reporting, which is the Dentsu PLC Company. This company does not yet have a guiding principle regarding materiality, while the content elements themselves are quite complete in the two sample companies.

Table 4.5. Comparison of Integrated Report Content Element

Element	South Africa		Japan	
	Strate (Financial Company)	Sasol (Non-Financial Company)	Mitsui (Financial-Company)	Dentsu (Non-Financial Company)
Organizational overview and external environment	✓	✓	✓	✓
Business Model	✓	✓	✓	✓
Outlook	✓	✓	✓	✓
Basis of Preparation and Presentation	✓	✓	✓	✓
Strategy and Resource Allocation	✓	✓	✓	✓
Risks and Opportunities	✓	✓	✓	✓
Governance	✓	✓	✓	✓
Performance	✓	✓	✓	✓

Table 4.5 compares the integrated report content element between two companies in Japan, namely Mitsui and Dentsu. It can be concluded that the elements of the integrated report content in Japan have fulfilled the Integrated Report Framework standards issued by IIRC (International Integrated Reporting Council).

Table 4.6. Comparison of Integrated Report Guiding Principles

Element	South Africa		Japan	
	Strate (Financial Company)	Sasol (Non-Financial Company)	Mitsui (Financial-Company)	Dentsu (Non-Financial Company)
Strategic focus and future orientation	✓	✓	✓	✓
Information Connectivity	✓	✓	✓	✓
Relationships with stakeholders	✓	✓	✓	✓
Materiality	✓	✓	✓	-
The compactness of the content	✓	✓	-	✓
Reliability and completeness	✓	✓	✓	✓
Consistency and comparability	✓	✓	✓	✓

Table 4.6 compares the guiding principles of the integrated report between two companies in Japan, namely Mitsui and Dentsu. It can be concluded that the guiding principles of integrated reports in Japan have fulfilled six of the seven integrated report guiding principles, that is, except the principle of conciseness, which is dense in its contents at the Mitsui Company, and the materiality principle in the Dentsu Company.

4.1.3.2. South Africa and Singapore

The researchers analyzed financial companies, namely DBS Group Holdings. In the Annual Report published by the company in 2017, it was found that DBS provides an overview of how banks create value for internal and external stakeholders. The company also explained how to use critical resources to carry out the company's strategy. DBS shows its value proposition by outlining how businesses distinguish themselves from other banks, through "Asian banking". This model then provides an overview of how the business is managed and the use of the Balanced Scorecard to measure financial and non-financial performance. The results of DBS activities can be seen on page 24 (Appendix 5).

The researchers also analyzed Tata Steel. In the integrated reporting published by the company in 2016, Tata Steel explained a comprehensive overview of the organization's vision and mission. Tata Steel also described in the form of tables the main risks that can affect an organization's ability to create value in the short, medium and long term to achieve its strategic objectives on pages 11, 12, and 18 (Appendix 6). Strategic objectives, which are grouped in two main areas, namely Value Creation and Corporate Citizenship, were identified based on challenges and opportunities that arise from the business environment. The effect on capital is also illustrated concerning both risk and strategy.

Integrated reporting in Singapore is not mandatory, so it is still applied voluntarily, while in South Africa it is mandatory. In general, the integrated reporting in South Africa has covered the IIRC framework standards in full, while, in Singapore, it is still incomplete. Two sample companies in Singapore have listed all elements of content. However, the guiding principle is still incomplete, in the DBS Company it still does not include information connectivity points and concise points that are densely packed.

Table 4.7. Comparison of Integrated Report Content Element

Element	South Africa		Singapore	
	Strate (Financial Company)	Sasol (Non-Financial Company)	DBS (Financial Company)	Steel (Non-Financial Company)
Organizational overview and external environment	✓	✓	✓	✓
Business Model	✓	✓	✓	✓
Outlook	✓	✓	✓	✓
Basis of Preparation and Presentation	✓	✓	✓	✓
Strategy and Resource Allocation	✓	✓	✓	✓
Risks and Opportunities	✓	✓	✓	✓
Governance	✓	✓	✓	✓
Performance	✓	✓	✓	✓

Table 4.7 compares the integrated report content element between two companies in Singapore, namely DBS Group Holdings and Tata Steel. It can be concluded that the content elements of the integrated report in Singapore have met the Integrated Report Framework issued by IIRC (International Integrated Reporting Council).

Table 4.8. Comparison of Integrated Report Guiding Principles

Element	South Africa		Singapore	
	Strate (Financial Company)	DBS (Financial Company)	DBS (Financial Company)	Dentsu (Non-Financial Company)
Strategic focus and future orientation	✓	✓	✓	✓
Information Connectivity	✓	-	-	✓
Relationships with stakeholders	✓	✓	✓	✓
Materiality	✓	✓	✓	-
The compactness of the content	✓	-	-	✓
Reliability and completeness	✓	✓	✓	✓
Consistency and comparability	✓	✓	✓	✓

Table 4.8 compares the guiding principles of the integrated report between two Singapore companies, namely DBS Group Holdings and Tata Steel. It can be concluded that DBS Group Holdings has fulfilled five of the seven guiding principles, except for information connectivity points and concise contents, while Tata Steel has fulfilled seven guiding principles of the integrated report.

Tables 4.5 and 4.7 compare the elements of the integrated report between two companies in South Africa, namely Strate PLC and Sasol PLC. It can be concluded that the elements of the integrated report content in South Africa have met the Integrated Report Framework standards issued by IIRC (International Integrated Reporting Council). Tables 4.6 and 4.8 compare the guiding principles of the integrated report between two companies in South Africa, namely Strate PLC and Sasol PLC. It can be concluded that the guiding principles of integrated reports in South Africa have met the Integrated Report Framework standards issued by IIRC (International Integrated Reporting Council). This is because in South Africa requires public companies listed on the Johannesburg Stock Exchange (JSE) to issue integrated reports following the Integrated Report Framework standards issued by IIRC (International Integrated Reporting Council).

The Integrated reports in two sample companies in South Africa show more communicative information to stakeholders. The first example, Strate PLC briefly describes its business model in the integrated report published by the company in 2017 on pages 16-17 (Appendix 1). The description of the business model presents information on how value is created from six capitals into company outputs and outcomes. The second example, Sasol PLC, briefly describes its business model in the integrated report published by the company in 2017 in two pages working papers (Appendix 2). The first working paper summarizes the six capitals, the primary process, the results of the business model before the quantified data, have an impact on the financial and sustainability of the company. The second working paper provides a scoreboard of the six capitals that presents more detailed information about the elements of the model and a data table about the primary inputs and stakeholder values created in connection with the six capitals. The points also describe 'actions to enhance outcomes (for stakeholders)', which indicate alignment with paragraph 3A of the International Integrated Reporting Framework - the strategic focus and future orientation. The additional column then provides a more in-depth insight into the model by discussing 'sacrifice' related to the capital influenced by Sasol.

4.1.3.3. Indonesia

A comparison of elements of content and guiding principles of the integrated report uses companies in Indonesia who claim to have conducted integrated reporting: PT. BFI Finance, PT. OCBC NISP, PT Timah (Persero) TBK,

PT Pertamina Geothermal Energy, and PT. XL Axiata. The reporting year used is not the same because of the limitations of the reporting year.

In Indonesia, integrated reporting is not mandatory, but companies can voluntarily implement it. The researchers used five sample companies that voluntarily implemented integrated reporting, namely BFI Finance, OCBC NISP, PGE Pertamina, PT. Timah, and XL Axiata. However, these five companies are not listed in the IIRC Database.

4.1.3.3.1. BFI FINANCE

Table 4.9 shows the comparison of Integrated report content element in BFI Finance while Table 4.10 shows the comparison of Integrated report guiding principles in BFI Finance. BFI Finance issued integrated reports in 2016, 2017, and 2018. In addition, the company also issues an annual report. When compared to South Africa, some elements of BFI Finance content follow the IIRC framework standards, but are not yet comprehensive, but, when viewed based on BFI Finance guiding principles, they do not yet include the concise points that are densely packed. Also, the level of disclosure of aspects of the content of the integrated report is still not comprehensive. For example, BFI Finance does not describe a business model that includes inputs, business activities, and outputs comprehensively. BFI Finance only explains about outputs from business activities.

Table 4.9. Comparison of Integrated Report Content Element

No.	Description	BFI FINANCE			
		2017		2018	
		Exist/ not?	Page	Exist/ not?	Page
1	Report Title	2017 Integrated Annual Report	cover	2018 Integrated Annual Report	cover
2	Number of pages	408		408	
3	Compilation Base	PSAK, Global Reporting Initiative (GRI), Integrated Reporting Framework (IIRC)	3	PSAK, Global Reporting Initiative (GRI), Integrated Reporting Framework (IIRC)	3
4	Organizational overview and external environment	√	36, 114	√	48
5	Governance	√	160	√	194
6	Business Model	√	119	√	145
7	Risks and Opportunities	√	63, 218, 234	√	269, 296
8	Strategy and Resource Allocation	√	84, 156, 272	√	98, 331
9	Performance	√	8, 290	√	10, 358
10	Outlook	√	159	√	191
11	Basis of Preparation and Presentation	√	392	√	462

Note: Although BFI Finance has made a report with the title Integrated Annual Report, the report does not follow the conceptual framework of the Integrated Report Version IIRC as a whole

Table 4.10. Comparison of Integrated Report Guiding Principles

No.	Description	BFI FINANCE			
		2017		2018	
		Exist/ not?	Page	Exist/ not?	Page
1	Report Title	2017 Integrated Annual Report	cover	2018 Integrated Annual Report	cover
2	Number of pages	408		408	
3	Compilation Base	PSAK, Global Reporting Initiative (GRI), Integrated Reporting Framework (IIRC)	3	PSAK, Global Reporting Initiative (GRI), Integrated Reporting Framework (IIRC)	3
4	Strategic focus and future orientation	√	29,35	√	43,131,153,292,
5	Information Connectivity	√	8,290	√	10,158,358
6	Relationships with stakeholders	√	267,393	√	327,464
7	Materiality	√	392	√	462
8	The compactness of the content	-	-	-	-
9	Reliability and completeness	√	126	√	42,43,191,
10	Consistency and comparability	√	158,159	√	189,190

Note: Although BFI Finance has made a report with the title Integrated Annual Report, the report does not follow the conceptual framework of the Integrated Report Version IIRC as a whole.

4.1.3.3.2. OCBC NISP

The second company that was studied was OCBC NISP which published Annual Integrated Reports in 2016 and 2017. Table 4.11 shows the comparison of Integrated report content element in OCBC NISP while Table 4.12 shows the comparison of Integrated report guiding principles in OCBC NISP. When compared with South Africa, OCBC NISP content elements follow the IIRC framework standards, although are not yet comprehensive because they do not include basic points of preparation and presentation. Also, if viewed based on the OCBC NISP guiding principle, it still does not include concise points that are densely packed and points of reliability and completeness. For example, OCBC NISP only mentions the business model in its report, without explanation.

Table 4.11. Comparison of Integrated Report Content Element

No.	Description	2. OCBC NISP			
		2016		2017	
		Exist/ not?	Page	Exist/ not?	Page
1	Report Title	2016 Integrated Annual Report	cover	2017 Integrated Annual Report	cover
2	Number of pages	409		388	
3	Compilation Base	PSAK, ASEAN Corporate Governance, Global Reporting Initiative (GRI G-4), Integrated Reporting Framework (IIRC)	ii	PSAK, ASEAN Corporate Governance, Global Reporting Initiative (GRI G-4), Integrated Reporting Framework (IIRC)	ii
4	Organizational overview and external environment	√	24, 64, 65	√	25, 58
5	Governance	√	90	√	101
6	Business Model	√	21	√	14
7	Risks and Opportunities	√	154, 163	√	164, 176
8	Strategy and Resource Allocation	√	58, 75, 84	√	87, 95
9	Performance	√	4,64, 68, 197	√	5, 209
10	Outlook	√	88, 89	√	99
11	Basis of Preparation and Presentation	-	-	-	-

Note: Although OCBC NISP has made a report titled Integrated Annual Report, the report does not follow the conceptual framework of the Integrated Report version IIRC as a whole.

Table 4.12. Comparison of Integrated Report Guiding Principles

No.	Description	2. OCBC NISP			
		2016		2017	
		Exist/ not?	Page	Exist/ not?	Page
1	Report Title	2016 Integrated Annual Report	cover	2017 Integrated Annual Report	cover
2	Number of pages	409		388	
3	Compilation Base	PSAK, ASEAN Corporate Governance, Global Reporting Initiative (GRI G-4), Integrated Reporting Framework (IIRC)	ii	PSAK, ASEAN Corporate Governance, Global Reporting Initiative (GRI G-4), Integrated Reporting Framework (IIRC)	Ii
4	Strategic focus and future orientation	√	88,138	√	98,99
5	Information Connectivity	√	67,68,197	√	80,81,209
6	Relationships with stakeholders	√	168, 138,139	√	383
7	Materiality	-	-	√	382
8	The compactness of the content	-	-	-	-
9	Reliability and completeness	-	-	√	382
10	Consistency and comparability	√	87	√	152,158

Note: Although OCBC NISP has made a report titled Integrated Annual Report, the report does not follow the conceptual framework of the Integrated Report version IIRC as a whole. OCBC NISP issued integrated reports in 2016 and 2017 and, in addition, also issued an annual report.

4.1.3.3.3. PT. TIMAH (Persero) TBK

The third company is PT. Timah which published integrated reports in 2015 and 2016. Table 4.13 shows the comparison of Integrated report content element in PT. Timah while Table 4.14 shows the comparison of Integrated report guiding principles in PT. Timah. Just like the companies previously mentioned, when compared to companies in South Africa, PT. Timah has not yet published the Integrated Report in full, because there are no basis points for preparation and presentation. As for the guiding principle itself, there are also several points that PT. Timah did not include in its integrated report. That is, the first does not cover information connectivity points, does not include concise points that are densely packed in contents, and does not include points of reliability and completeness. For example, while PT. Timah has explained its business model, which includes six capitals, inputs, value-adding activities, outputs, and outcomes in the form of images, this business model has not, however, been comprehensively linked to the company's value creation process.

Table 4.13. Comparison of Integrated Report Content Element

No.	Description	3. PT TIMAH (Persero) Tbk			
		2015		2016	
		Exist/ not?	Page	Exist/ not?	Page
1	Report Title	2015 Integrated Annual Report	cover	2016 Integrated Annual Report	cover
2	Number of pages	475		698	
3	Compilation Base	Global Reporting Initiative (GRI G4), Integrated Reporting Framework (IIRC)	27	Ketentuan Otoritas Jasa Keuangan (OJK), IIRC, Pedoman Pelaporan Keberlanjutan Versi 4 dan Mining and Metal Sector Supplement	1

				(MMSS) oleh GRI G4.	
4	Organizational overview and external environment	√	54, 146	√	76, 182
5	Governance	√	224	√	252
6	Business Model	√	136	√	167
7	Risks and Opportunities	√	110	√	142
8	Strategy and Resource Allocation	√	212, 342	√	7, 120, 509
9	Performance	√	10, 473	√	16, 18
10	Outlook	√	19	√	40, 54, 235
11	Basis of Preparation and Presentation	-	-	-	-

Note: Although PT. Timah Persero has made a report titled Integrated Annual Report, the report does not follow the conceptual framework of the Integrated Report version IIRC as a whole.

Table 4.14. Comparison of Integrated Report Guiding Principles

No.	Description	3. PT TIMAH Persero			
		2015		2016	
		Exist/ not?	Page	Exist/ not?	Page
1	Report Title	2015 Integrated Annual Report	cover	2016 Integrated Annual Report	cover
2	Number of pages	475		698	
3	Compilation Base	Global Reporting Initiative (GRI G4), Integrated Reporting Framework (IIRC)	27	Ketentuan Otoritas Jasa Keuangan (OJK), IIRC, Pedoman Pelaporan Keberlanjutan Versi 4 dan Mining and Metal Sector Supplement (MMSS) oleh GRI G4.	1
4	Strategic focus and future orientation	√	212	√	238
5	Information Connectivity	√	12,198	√	18,228
6	Relationships with stakeholders	√	138	√	169
7	Materiality	√	45,51	√	65
8	The compactness of the content	-	-	-	-
9	Reliability and completeness	√	53	√	72
10	Consistency and comparability	√	219	-	-

ote: Although PT. Timah Persero has made a report titled Integrated Annual Report, the report does not follow the conceptual framework of the Integrated Report version IIRC as a whole. PT. TIMAH (Persero) TBK issued integrated reports in 2015 and 2016 as well as an annual report.

4.1.3.3.5. PT. PERTAMINA GEOTHERMAL ENERGY (PGE)

The fourth company is PGE Pertamina, which implemented an Annual Integrated Report in 2015. Table 4.15 shows the comparison of Integrated report content element in PT. PERTAMINA GEOTHERMAL while Table 4.16 shows the comparison of Integrated report guiding principles in PT. PERTAMINA GEOTHERMAL. For reports published by PGE Pertamina itself, when compared to reports published by companies from South Africa in general, all content elements from the integrated reporting have been included, but it is not yet comprehensive because it does not yet cover the primary points of preparation and presentation. Also, the explanation of each content is not yet detailed. PGE Pertamina also has not fulfilled the concise points that are the full contents in the guiding principles of the integrated report. For example, Pertamina PGE has presented a more detailed business model from the two previous companies, but has not provided information related to inputs, business activities, outputs, and outcomes. The business model also has not been linked to the process of creating corporate value.

Table 4. 15. Comparison of Integrated Report Content Element

No.	Description	4. PT Pertamina Geothermal Energy (PGE)	
		2015	
		Exist/ not?	Pages
1	Report Title	Integrated Annual Report 2015	Cover
2	Number of pages	288	
3	Compilation Base	Law No. 40 of 2007 concerning Limited Liability Companies, Bapepam LK No X.K.6, G4 Sustainability Reporting Guidelines (GRI G-4), Guidelines for the Management of Subsidiaries and Companies Joint Venture Pertamina No. A-001 / H00200 / 2011-S0 Revision 1, Integrated Reporting Framework (IIRC)	11
4	Organizational overview and external environment	√	10, 60, 94
5	Governance	√	138
6	Business Model	√	72
7	Risks and Opportunities	√	211
8	Strategy and Resource Allocation	√	114
9	Performance	√	105
10	Outlook	√	115, 122
11	Basis of Preparation and Presentation	-	-

Note: Although PT Pertamina Geothermal Energy (PGE) has made a report titled Integrated Annual Report, the report does not follow the conceptual framework of the Integrated Report Version IIRC as a whole.

Table 4.16. Comparison of Integrated Report Guiding Principles

No.	Description	4. PT Pertamina Geothermal Energy (PGE)	
		2015	
		Exist/ not?	Pages
1	Report Title	Integrated Annual Report 2015	Sampul
2	Number of pages	288	
3	Compilation Base	Law No. 40 of 2007 concerning Limited Liability Companies, Bapepam LK No X.K.6, G4 Sustainability Reporting Guidelines (GRI G-4), Guidelines for the Management of Subsidiaries and Companies	
4	Strategic focus and future orientation	Joint Venture Pertamina No. A-001 / H00200 / 2011-S0 Revision 1, Integrated Reporting Framework (IIRC)	11
5	Information Connectivity	√	115, 122, 211
6	Relationships with stakeholders	√	12, 105
7	Materiality	-	-
8	The compactness of the content	√	3
9	Reliability and completeness	-	-
10	Consistency and comparability	√	303-366

Note: Although PT Pertamina Geothermal Energy (PGE) has made a report titled Integrated Annual Report, the report does not follow the conceptual framework of the Integrated Report Version IIRC as a whole. PT Pertamina Geothermal Energy issued an integrated report in 2015 and, in addition to that year, the company issued an annual report.

4.1.3.3.6. XL AXIATA

The last company analyzed was XL Axiata, which does not publish integrated reports, but, rather, annual reports. Table 4.17 shows the comparison of Integrated report content element in XL Axiata while Table 4.16 shows the comparison of Integrated report guiding principles in XL Axiata. The researchers took a sample of the 2017

Annual Report but this had elements that are in the standard IIRC framework. Compared to the integrated reports issued by companies in South Africa, the content of the Annual Report published by XL Axiata is incomplete because it does not cover the basic points of preparation and presentation. In addition, it can also be concluded that the guiding principle is not yet complete because it does not yet include three points: a concise point that is densely contained, reliability and completeness points, and consistency and comparability points. For example, XL Axiata only mentioned the business model in its report without giving a detailed explanation.

Table 4.17. Comparison of Integrated Report Content Element

No.	Description	5. XL Axiata	
		2017	
		Exist/ not?	Page
1	Report Title	Laporan Tahunan 2017 Annual Report	Sampul
2	Number of pages	480	
3	Compilation Base	Financial Accounting Standards at Indonesia and regulatory body Capital Markets and Financial Institutions (BAPEPAM-LK) No. VIII.G.7 concerning Presentation and Disclosure of Issuer's Financial Statements or Public Company, which is enclosed in Decree No. KEP-347 / BL / 2012.	
4	Organizational overview and external environment	√	86
5	Governance	√	170
6	Business Model	√	81
7	Risks and Opportunities	√	307
8	Strategy and Resource Allocation	√	73
9	Performance	√	18
10	Outlook	√	46, 58, 169
11	Basis of Preparation and Presentation	-	-

Note: Although PT XL Axiata has made a report titled Integrated Annual Report, the report does not follow the conceptual framework of the Integrated Version IIRC version as a whole.

Table 4.18. Comparison of Integrated Report Guiding Principles

No.	Description	5. XL Axiata	
		2017	
		Exist/ Not?	Page
1	Report Title	2017 Annual Report	Cover
2	Number of pages	480	
3	Compilation Base	Financial Accounting Standards at Indonesia and Capital Market and Financial Institution Supervisory Agency (BAPEPAM-LK) regulation No. VIII.G.7 concerning Presentation and Disclosure of Financial Statements of Issuers or Public Companies, which is attached in Decree No. KEP-347 / BL / 2012.	385
4	Strategic focus and future orientation	√	18, 87, 307
5	Information Connectivity	√	76
6	Relationships with stakeholders	-	-
7	Materiality	-	-
8	The compactness of the content	-	-
9	Reliability and completeness	-	-
10	Consistency and comparability	√	20, 153

Note: Although PT XL Axiata has made a report titled Integrated Annual Report, the report does not follow the conceptual framework of the Integrated Version IIRC version as a whole. XL Axiata has never published a report with the title Integrated Reporting, but the company publishes a report with an annual report and claims to have applied the Integrated Reporting Framework in its annual report.

5. Conclusions

The conclusion from the five sample companies from Indonesia is that most have included the content elements of integrated reporting and the guiding principles of the Integrated Reporting Framework, although this is not yet comprehensive. Furthermore, the discussion of the content elements and guiding principles contained in the published report is not explained in detail and depth, but only in general and with a very brief explanation, for example, only mentioning the word "business model" without being accompanied by a complete and in-depth explanation. When compared with the integrated reporting published by companies in South Africa, these are very detailed and in depth in explaining the points in the content elements and guiding principles of the integrated reporting, whereas in reports published in Indonesia this is not the case.

The finding of this research is in line with previous research done in Japan, Singapore, and South Africa. The result shows that integrated reporting helps companies improve their performance. Companies that use integrated reporting are proven to be able to serve reports that contain extensive information, which also improves the transparency and responsibility of their reports. It is also proven effective for companies as a way of communicating their ability of creating and maintaining company value. Furthermore, integrated reporting can reduce information processing costs, as well as improve the audit committee's effectivity. This research may become a great reference for government policy related to corporate report assembling in order for it to be more eloquent. Therefore, some future research related to integrated reporting is needed, especially if is begun to be applied in Indonesia.

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