eksis jurnal riset ekonomi & bisnis
E-ISSN : 2549-6018
P-ISSN : 1907-7513

Timeliness Of Financial Statements Submission In Industrial Era 4.0
Case study Of Chemical Sector Companies

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Received: February 2020, Revised: March 2020, Published: March 2020

abstract

The purpose of this study was to determine the effect of company size, company age, leverage and profitability on the timeliness of financial statement submission. The population used in this study is the annual report of chemical sector companies listed on the Indonesia Stock Exchange of 50 financial statements. Sampling technique saturated sampling. Data analysis for hypothesis testing in this study uses multiple linear regression analysis. Based on the analysis and discussion, it can be concluded that there is a significant positive effect on company size and profitability on the timeliness of report submission. In addition, there is also a significant negative effect on the company's age and leverage on the timeliness of financial statement submission.

Keywords: company size, age, leverage, profitability, timeliness

A. INTRODUCTION

Financial statements can describe the condition of a company's financial statements and further information can be used as a description of the company's financial performance (Fahmi, 2012: 21). To obtain relevant and reliable financial reports, there are several substantive constraints. One such obstacle is the timeliness of financial reporting. The timeliness of the publication of a company's financial statements is an important factor affecting the level of reliability and relevance of information contained in financial statements for users of financial statements. In Statement of Financial Accounting Standards (PSAK) No. 1 paragraph 38 states that the benefits of a financial statement will decrease if the report is not available on time.

Timeliness is one of the requirements so that information can be useful, when information is presented too late then the value contained will no longer be relevant to the existing situation. Similarly, the financial statements submitted by the company. Financial statements which are a medium for companies to convey financial information at a particular moment and company performance must be able to benefit its users, one of them by meeting the timeliness requirements. As also stated in the IASB framework, timeliness is one of the qualitative characteristics of financial statements.

According to data from the Indonesia Stock Exchange in 2019 there are at least 10 companies that are late reporting their finances. Among them are companies in the basic and chemical industry sectors. Delay in financial reporting can be bad for companies both directly and indirectly. Indirectly, investors might respond to this as a bad sign for the company.

Industry 4.0 is a time when all the sophisticated and modern tools are developing very fast. With the existing network system and the support of various policies will certainly make the preparation of financial statements easier and the delivery of financial reporting will be even easier. But this still makes companies, especially the chemical sector, there are still some companies that are still late in submitting financial statements.

Research conducted by Iyoha (2010) explains that the regulations established in the Negeria can reduce the financial reporting position even though this is not enough to ensure the quality of the financial statements produced. Companies with large companies tend to be more timely in conducting audits. Large companies are under pressure to announce their financial statements on time to avoid speculation in trading in the company's shares (Owusu-Ansah, 2000). Furthermore, older companies tend to be more skilled and competent in the collection process, to produce information when needed, because the company already has sufficient capacity. This will certainly speed up the audit process which will ultimately affect audit delay. This is in line with research Owusu-Ansah (2000)

AL-Tahat (2015) explains that companies with high profitability will be quicker in delivering their financial statements. Hilmi and Ali (2008) explain that companies that experience financial difficulties tend to be less timely in presenting their financial statements compared to companies that do not experience financial difficulties. The high ratio of corporate solvency is bad news for investors, so companies tend to postpone the publication of their financial statements.

Based on research conducted by Dyer and Mc Hugh (in Hilmi and Ali, 2008), it is found that companies that make profits tend to be timely in presenting their financial statements and vice versa if they suffer losses. The formulation of the problem revealed in this study is whether company size, company age, leverage and profitability affect the timeliness of financial statement submission. The purpose of this research is to examine and prove the effect of company size, company age, leverage and profitability affect the timeliness of financial statement submission.

B. LITERATURE REVIEW

1. Signaling Theory And Compliance Theory

Signaling theory states that a good quality company will intentionally give a signal to the market, thus the market is expected to be able to distinguish good and bad quality companies (Hartono, 2011: 35). For this signal to be effective, it must be able to be captured by the market and be perceived well, and not easily imitated by poor quality companies (Diginson in Hartono, 2011: 37).

Compliance theory can encourage someone to comply more with applicable regulations, as well as companies that try to submit financial statements in a timely manner because in addition to being an obligation of the company to submit financial statements on time, it will also be very beneficial for users of financial statements (Sulistyo, 2010).

2.Timeliness

Chambers and Penman (in Hilmi and Ali, 2008) define timeliness in two ways:

a. Timeliness is defined as late reporting time from the date of the financial statements to the reporting date

b. Timeliness is determined by the timeliness of reporting relative to the expected reporting date.

According to Dyer and Mc Hugh (in Hilmi and Ali, 2008) there are three criteria for delay to see the timeliness of financial statement submission, including:

1. Preliminary lag is the interval of the number of days between the date of the financial statements until the receipt of the preleminary final report by the exchange.

2. Auditor's report lag is the interval of the number of days between the date of the financial statements to the date the auditor's report is signed.
3. Total lag is the interval of the number of days between the date of the financial statements until the date of receipt of the report published by the exchange.

3. Company Size, Company Age, Leverage And Profitability

Malleret (2008: 233) defines company size as a well-defined set of policies that must be implemented by companies that compete globally. To measure the size of the company Prasetyantoko (2011: 257) suggested that total assets can describe the size of the company, the larger the assets are usually the bigger the company.

Harianto and Sudomono in Gaban (2009) stated that the age of the company is the age since its establishment until the company was still able to carry out its operations. Measurement of company age Ulum (2009) states that company age is calculated from the date of the IPO to the date of the annual report.

Sjahrian (2012: 147) defines leverage is the use of assets and sources of funds by companies that have fixed costs (fixed costs) means the source of funds derived from loans because they have interest as a fixed expense with a view to increasing the potential returns of shareholders. According to Fahmi (2012: 127) Debt Equity Ratio as a measure used in analyzing financial statements to show the amount of collateral available to creditors.

According to Riyanto (2012: 28) the profitability of the company shows the ratio between profits and assets or capital that produces these profits. In other words profitability is the ability of a company to generate profits for a certain period. According to Kasmir (2012: 155) Return On Equty is a ratio to measure net income after tax with own capital. This ratio shows the efficiency of using their own capital. The higher this ratio, the better. This means that the position of the owner of the company is getting stronger, and vice versa.

Malleret (2008: 233) defines company size as follows organization size is a set of well-established policies that must be implemented by companies that compete globally. Longenecker (2011: 16) suggests that there are many ways to define the scale of the company, namely by using various criteria, such as number of employees, sales volume, and value of assets. Good quality companies will give a signal by submitting their financial statements in a timely manner, this cannot be copied by poor quality companies because poor quality companies will tend to be not timely in submitting their financial statements. According to Marathani (2013) the larger the company, the greater the resources and information systems owned by the company. Conditions like this can make the company will immediately complete all the needs of financial statements because the company has more facilities so that the need to complete the financial statements will be quickly resolved and quickly to immediately submit financial statements. Companies with large companies tend to be more timely in conducting the audit. Large companies are under pressure to announce their financial statements on time to avoid speculation in trading in the company's shares (Owusu-Ansah, 2000).

H1: Company size has an influence on the timeliness of financial statement submission

The age of the company can reflect how big the company is. How much a company can be described in the company's maturity. The maturity of the company will make the company concerned understand what is desired by stakeholders and shareholders. Companies that have long been established tend to be considered to have good performance so that the level of public trust in the company is high. Yasnanto

(2011) which states that the age of the company affects the timeliness of financial reporting. Barriers to new companies (newly listed) in preparing financial reporting only slightly adjust the time limit set by the IDX or Bapepam-LK, this can be reduced by the presence of sophisticated technology and professional HR. In addition, most companies submit timely financial reporting. Signaling theory is rooted in pragmatic accounting theory that focuses on the influence of information on changes in information user behavior. One of the information that can be used as a signal is an announcement made by an issuer. This announcement can later influence the ups and downs of the securities prices of the issuing companies that make the announcement (Suwardjono, 2012). Older companies tend to be more skilled and competent in the collection process, to produce information when needed, because the company already has sufficient capacity. This will certainly speed up the audit process which will ultimately affect audit delay. This is in line with research Owusu-Ansah (2000)

H2: Company age has an influence on the timeliness of financial statement submission

Understanding leverage according to Sartono (2012: 257) is as follows leverage is the use of assets and sources of funds by companies that have fixed costs (fixed costs) with a view to increasing potential shareholder returns. Signaling theory states that a good quality company will intentionally give a signal to the market, thus the market is expected to be able to distinguish good and bad quality companies (Hartono, 2011: 257). For this signal to be effective, it must be able to be captured by the market and be perceived well, and not easily imitated by poor quality companies (Diginson in Hartono, 2011: 257). There is an influence on the level of corporate leverage on the timeliness of the delivery of financial statements shows that debt can affect the company in delivering financial statements. This condition can be caused by the company or management being obliged to provide reasonable and true information regarding the high or low debt they have, because creditors will always tend to monitor the level of leverage of the company in order to know the company's ability to pay debts so the company is obliged to provide information more quickly to the public (Marathani, 2013). Hilmi and Ali (2008) explain that companies that experience financial difficulties tend to be less timely in presenting their financial statements compared to companies that do not experience financial difficulties. The high ratio of corporate solvency is bad news for investors, so companies tend to postpone the publication of their financial statements

H3: Leverage affects the timeliness of financial statement submission

According to Riyanto (2012: 28) the profitability of the company shows the ratio between profits and assets or capital that produces these profits. In other words profitability is the ability of a company to generate profits for a certain period. Companies that believe that the company has good prospects in the future will tend to communicate the news to investors. Therefore, the quality company will signal the way by submitting the company's financial statements in a timely manner. According to Marathani (2013) company profitability affects the timeliness of financial statement submission. This indicates that companies will tend to timely submit their financial statements because they can be used as good news that the public must immediately know that the company has high profitability. This condition occurs because the company wants to show the company's performance that the company can be managed well and in accordance with the wishes of the users of financial statements.

Based on research conducted by Dyer and Mc Hugh (in Hilmi and Ali, 2008), it is found that companies that make profits tend to be timely in presenting their financial

statements and vice versa if they suffer losses. According to AL-Tahat (2015) explained that profitability has a positive effect on the timeliness of financial reporting.
H4: Profitability affects the timeliness of financial statement submission

C. Research Methods

This research is a quantitative descriptive study. The data used is secondary data with the method of collecting documentation data that is taking data at the Indonesia Stock Exchange. The sample used was 50 financial statements of chemical sector companies listed on the Indonesia Stock Exchange. The variables used in this study are:

1. Timeliness of financial statement submission: The interval of the number of days between the date of the financial statements to the date the auditor's report is signed. The financial statements are submitted to Bapepam no later than the end of the third month or 90 days after the date of the annual financial statements.
2. Company size: the size of the assets used to measure the size of the company, the size of these assets is measured as a logarithm of total assets. Size = LN Total Assets
3. Company Age: the length of time of life or existing (since birth or held). Calculated from the year the company was established until 2014.
4. Laverage: the ratio used to assess debt with equity. Debt to Equity Ratio is calculated by dividing total debt by equity.
5. Profitability: a ratio to assess a company's ability to seek profits. Return On Equity is calculated by dividing net income after tax by total capital

D. Research Results and Discussion

1. T-Test

Table 1: T - Test

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	-.001	.123		-.008	.993		
	Size	.210	.128	.210	1.837	.048	.939	1.065
	Age	-.432	.140	-.433	-3.097	.003	.792	1.262
	Laverage	-.387	.152	-.390	-2.550	.014	.660	1.515
	Profitabilitas	.268	.138	.269	1.947	.047	.811	1.234

a. Dependent Variable: Timeliness

From the results of the study note that with a significance level of 5% with a degree of freedom that is df = (n-k-1), where n = number of observations and k = number of variables obtained t table value of 1.67943 or - 1.67943.

2. Effect of Company Size on the Timeliness of Financial Report Submission.

Based on the results of data processing shows t count the size of the company at 1,837 and t table at 1.67943 so that t count is greater than t table (1.837> 1.67943) means that there is a positive influence on the size of the company on the timeliness of financial statement submission. The significance value of 0.048 is smaller than 0.05 (0.048 <0.05), which means that it is significant. It can be concluded that there is a positive influence on company size on the timeliness of financial statement submission.

3. Effect of Company Age on the Timeliness of Financial Report Submission.

Based on the results of data processing shows t count age of the company is -3.097 and t table is -1.67943 so that t count is greater than t table (-3.097) > -1,67943) means that there is a negative influence on the company's age on the timeliness of financial statement submission. The significance value of 0.003 is smaller than 0.05

(0.003 <0.05), which means that it is significant. It can be concluded that there is a significant negative effect on the company's age on the timeliness of financial statement submission. Effect of Leverage on the Timeliness of Submission of Financial Statements Based on the results of data processing shows t calculate leverage of -2,550 and t table equal to -1.67943 so that t count is greater than t table (-2.550> - 1.67943) meaning that there is a negative influence of leverage on the timeliness of financial statement submission. The significance value of 0.014 is smaller than 0.05 (0.014 <0.05), which means that it is significant. It can be concluded that there is a significant negative effect of leverage on the timeliness of financial statement submission.

4. Effect of Profitability on the Timeliness of Financial Report Submission

Based on the results of data processing shows t calculate profitability of 1,947 and t table of 1,67943 so that t arithmetic greater than t table (1,947> 1.67943) means that there is a positive effect of profitability on the timeliness of financial statement submission. The significance value of 0.047 is smaller than 0.05 (0.047 <0.05), which means that it is significant. It can be concluded that there is a significant positive effect on profitability on the timeliness of financial statement submission.

5. Coefficient of Determination (R2)

The results of the R-Square values in the Summaryb Model table are 0.627. This means that 62.7% of the dependent variable, the timeliness of financial statement submission, can be explained by the independent variables, namely company size, company age, leverage and profitability, while the remaining 37.3% of the timeliness of financial statement submission is explained by variables or other causes beyond model.

Table 2: Coefficient of Determination (R2)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.477[a]	.627	.465	.91291	1.779

a. Predictors: (Constant), Profitabilitas, Age, Size, Laverage

b. Dependent Variable: Timeliness

6. Discussion

Based on the results of the persial test, it shows that there is a significant positive effect on the size of the company on the timeliness of financial statement submission with table 1,837> 1,679 and significance 0.048 <0.05 meaning that the larger the size of the company, the more timely the delivery of financial statements, and vice versa the smaller the size of the company the less timely the delivery of financial statements.

The size of the company is a function of the speed of financial reporting because the larger a company, the company will report the results of audited financial statements more quickly because the company has many sources of information and has a good corporate internal control system so as to reduce the level of errors in the preparation of financial statements that facilitate auditor in conducting audits of financial statements. Good quality companies will give a signal by submitting their financial statements in a timely manner, this cannot be copied by poor quality companies because poor quality companies will tend to be not timely in submitting their financial statements.

This is consistent with research conducted by Marathani (2013) which explains that the larger the company, the greater the resources and information systems owned by the company. Conditions like this can make the company will immediately complete all the needs of financial statements because the company has more facilities so that the need to complete the financial statements will be quickly resolved and quickly to immediately submit financial statements.

Based on the partial test results show that there is a significant negative effect on the age of the company on the timeliness of financial statement submission with tables -3,097> -1,679 and significance 0.003 <0.05 means that the more a company has old age, the more timely it is to submit financial statements, and vice versa the younger the age of the company is increasingly not timely in the delivery of financial statements.

The age of the company has a negative effect on the timeliness of the submission of financial statements. This occurs because the sample company is a company long standing ones tend to be considered to have good performance so that they are more timely in delivering financial reports. The age of the company can reflect how big the company is. How much a company can be described in the company's maturity. The maturity of the company will make the company concerned understand what is desired by stakeholders and shareholders. Companies that operate longer will provide more extensive information, because they have more experience in the publication of financial statements, which means that age affects the timeliness of financial statement submission.

Signaling theory is rooted in pragmatic accounting theory that focuses on the influence of information on changes in information user behavior. One of the information that can be used as a signal is an announcement made by an issuer. With the timeliness in the delivery of financial statements will provide a positive signal for investors. This is consistent with the opinion of Herlyaminda, et al (2013) which states that the age of the company has a negative effect on the timeliness of financial reporting. Company life can be interpreted as the life cycle of a company that explicitly has a long-term goal, which can generate financial benefits and improve company performance. Older companies tend to be more skilled in gathering, processing, and producing information when needed, because the company has gained sufficient experience. This resulted in the company being able to present financial statements more timely.

Based on the partial test results show that there is a significant negative effect of leverage on the timeliness of financial statement submission with tables -2,550> -1,679 and significance of 0.014 <0.05 meaning that the higher the leverage the more the company is timely in the delivery of financial statements, the lower the opposite the lower the leverage the more the company is not timely in the delivery of financial statements.

Leverage has a negative effect on the timeliness of financial statement submission, this condition can be caused by the company or management having an obligation to provide reasonable and real information about the high debt they have, because creditors will always tend to monitor the level of corporate leverage in order to know the company's ability to pay debts so the company must provide information more quickly to the public. Sample companies tend to be timely in submitting financial statements so that later it will lead to a level of trust the creditors will increase and will be confident of the company's ability to pay debts.

Signaling theory states that a good quality company will intentionally give a signal to the market, thus the market is expected to be able to distinguish good and bad quality companies (Hartono, 2011). This is consistent with the opinion of Marthati (2013) showing that leverage affects the timeliness of financial statement submission.

Leverage shows the negative direction means the higher the level of leverage shows that larger companies are financed by debt so that they can affect the company on time in delivering its financial statements.

Based on the partial test results show that there is a significant positive effect on profitability on the timeliness of financial statement submission with tables 1,947> 1,679 and significance 0.047 <0.05 means that the higher the profitability, the more timely the company is in delivering financial statements, the lower the profitability, the less timely company inside

Profitability is one indicator of a company's success in generating profits so that the higher the profitability, the higher the company's ability to generate profits. Profitability is a major problem that is often the target of analysis from both internal and external circles. Profitability is used as a reference by investors in assessing the performance of management in managing a company, so that it can influence investors' decisions whether to buy or sell their shares in the company. Profitability can also be used as a reference for the owner to give a bonus or raise the contract to the manager or not. In fact profitability can influence companies to publish their financial statements in a timely manner.

The higher the level of profitability affects the lower level of timeliness of financial statement submission. This can occur because of the possibility of taxation motivations from company management, namely company managers trying to manage earnings up to the desired profit level to reduce the tax burden that must be paid by the company. Managers tend to always try to minimize their obligations, including the obligation to pay taxes. For managers the smaller the tax that must be paid to the government means the smaller the obligations. The process requires a relatively long time so that management is not timely in the submission of the company's annual financial statements

This indicates that companies will tend to timely submit their financial statements because they can be used as good news that the public must immediately know that the company has high profitability. This condition occurs because the company wants to show the company's performance that the company can be managed well and in accordance with the wishes of the users of financial statements. Conversely companies will tend to be late to submit financial statements if the level of profitability is low because it is bad news and will tend to delay publishing it.

These results are consistent with the results of Marathani (2013) company profitability affect the timeliness of financial statement submission. This indicates that companies will tend to timely submit their financial statements because they can be used as good news which must be immediately known to the public that the company has high profitability. This condition occurs because the company wants to show the company's performance that the company can be managed well and in accordance with the wishes of the users of financial statements.

E. Conclusion

From the results of the research, it can be concluded that there is a significant positive effect on company size and profitability on the timeliness of financial statement submission. The larger the size of the company, the more timely in the delivery of financial statements, and vice versa. In addition, the significant negative effect of company age and leverage on the timeliness of financial statement submission means that the more a company has old age, the more timely it is to submit financial statements, and vice versa, the younger the age of the company, the less timely it is in reporting.

From the conclusions above it is suggested that companies can predict the timeliness of financial reporting, the company must pay attention to financial statements, especially related to company size, company age, leverage and profitability.

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