

PalArch's Journal of Archaeology of Egypt / Egyptology

THE INFLUENCE OF STAKEHOLDER PRESSURE AND CORPORATE GOVERNANCE ON SUSTAINABILITY REPORT QUALITY

AnggunTriska Nurumina¹, Ricky Setiawa², MeuthiaArtanti Ramadhaniar³, Fadhil Sa'

AdilaLuthfi Hazazi⁴, Erly Sherlita⁵

Accounting, Faculty of Economics, Widyatama University Jl. Cikutra No. 204A, Bandung
40125

¹triska.anggun@widyatama.ac.id, ²ricky.setiawan@widyatama.ac.id,

³meuthia.artanti@widyatama.ac.id,

⁴fadhil.hazazi@widyatama.ac.id, ⁵erly.sherlita@widyatama.ac.id

AnggunTriskaNurumina, Ricky Setiawa, MeuthiaArtantiRamadhaniar, Fadhil Sa' AdilaLuthfiHazazi, ErlySherlita. The Influence Of Stakeholder Pressure And Corporate Governance On Sustainability Report Quality--Palarch's Journal Of Archaeology Of Egypt/Egyptology 17(4), 2749-2765. ISSN 1567-214x

Keywords: corporate governance, stakeholder pressure

ABSTRACT

This study aims to examine the influence of Stakeholder Pressure and Good Corporate Governance on Sustainability Report Quality in companies listed on Kompas 100 in 2016-2018. The sampling method used was purposive sampling. The data analysis method used is multiple linear regression analysis. The results of testing the hypothesis in this study concluded that Stakeholder Pressure and Good Corporate Governance simultaneously affect the quality of Sustainability Reports. Simultaneously, Stakeholder Pressure and Good Corporate Governance have an impact of 80.8% on the Quality of Sustainability Report on companies listed in Kompas 100 in 2016-2018.

1. INTRODUCTION

According to Suharyani et al (2019), the company becomes the main spotlight in its contribution to the environment. For example, the case of the expansion of a hazardous B3 waste treatment plant conducted by PT Putra Restu Ibu Abadi (PRIA) Mojokerto and air waste pollution carried out by PT Rayon Utama Makmur (RUM) Sukoharjo. Not only the impact on the environment, but the economic impact and social activities that occur around the company are also stalled, causing community concerns about the role of the company in protecting the environment. This situation encourages people to demand greater corporate social responsibility. Responsibilities such as information on

the impact of economic activities, social and environmental companies can be expressed through the sustainability report as a report voluntarily presented separately from the annual report (Jalal, 2007).

Another case was carried out by two other companies, namely PT Kamarga Kurnia Textile Industri (KKTI) and PT How Are You Indonesia (HAYI), where the company has polluted the Citarum watershed. PT. Kamarga Kurnia Textile Industri (KKTI) is known not to be serious in managing wastewater and B3 waste, even though the Ministry of Environment and Forestry has given warning and time to handle the waste. Until the specified time, PT. Kamarga Kurnia Textile Industri (KKTI) still does not make improvements related to waste management, so PT. KKTI is being sued by the Ministry of Environment and Forestry. Whereas PT How Are You Indonesia (HAYI) was found guilty, because PT How Are You Indonesia (HAYI) had carried out waste disposal directly into the Citarum watershed so so they are required to pay material compensation. Based on cases related to waste treatment and air pollution, the government issued a decision which was issued through a law on Limited Liability Companies (PT) that revealed various provisions for the establishment of PT, one of article 74, Law Number 40 of 2007 concerning environmental management. Based on Government Regulation No. 27 of 2012 which requires an Environmental Impact Analysis of the significant impacts of a business or activity plan, which forms the basis. Guidelines for carrying out sustainable economic activities along with the signing of the SIH preparation guidelines (*Standar Industri Hijau*) Number 18 / M-IND / PER / 3/2016 by the Indonesian Minister of Industry is expected to become guidelines for companies in carrying out their production processes that are effective and efficient and friendly environment (Suharyani *et al.*, 2019).

2. LITERATURE REVIEW

2.1 Stakeholder Theory

In Ghozali and Chariri (2007) explain that in stakeholder theory, a company is not an entity that only operates for its interests, but must also provide benefits for its stakeholders (shareholders, creditors, consumers, suppliers, governments, communities, analysts, and other parties). Thus the existence of a company is strongly influenced by the presence of stakeholders.

According to the Clarkson Center for Business Ethics (Magness, 2008), stakeholders are divided into two types. First is the primary stakeholders, those who have economic interests in the company and bear the risk, which is included in the primary stakeholders are investors, creditors, employees, the government, and the local community. Second, secondary stakeholders where the nature of the relationship with the company affects each other, but the survival of the company economically is not affected by this type of stakeholder. Mass media, social institutions, trade unions, and society are included in the secondary stakeholders.

Based on the explanation of the types of stakeholders, the type of stakeholders that most influence the existence of the company is the primary stakeholders. The company will try to satisfy the desires of these stakeholders because these stakeholders have high power that can affect the availability of company

resources. Ullman (Ghozali and Chariri, 2007) said that the organization will choose stakeholders that are considered important and take actions that can produce a harmonious relationship between the company and its stakeholders.

2.2 LEGITIMACY THEORY

Legitimacy is recognition that will legitimize something. An organization's legitimacy can be said to be a potential benefit or source for a company to survive (Asforth and Gibs, 1990; Dowling and Pfeffer, 1975; O'Donovan 2002; as quoted by Ghozali and Chariri, 2007). Dowling and Pfeffer (in Ghozali and Chariri, 2007), revealed that the theory of legitimacy is very useful in analyzing organizational behavior. They say legitimacy is significant for the organization, the boundaries emphasized by social norms and values, and the reaction to these limits encourages the importance of analyzing organizational behavior about the environment.

When there is a difference between the values adopted by the company and the

values of society, the legitimacy of the company will be in a position of being threatened (Lindblom; Dowling and Pfeffer in Chariri, 2008). The difference between company values and community social values is often called the "legitimacy gap" and can influence companies to continue their business activities. Legitimacy gaps occur for several reasons:

1. There have been changes in company performance but people's expectations of company performance have not changed.
2. The company's performance has not changed but people's expectations of company performance have changed.
3. Company performance and community expectations of company performance differ in the same direction but at different times.

2.3 Good Corporate Governance

According to the Forum for Corporate Governance in Indonesia (FCGI), Corporate Governance is a set of rules governing the relations between shareholders, management (manager) of the company, creditors, government, employees, and other internal and external stakeholders relating to rights and their obligations. In addition to that, FCGI also clarified that Corporate Governance aims to create added value for all stakeholders.

As described by the Organization for Economic Co-operation and Development (OECD), there are four important elements in Corporate Governance, namely:

1. Fairness. To ensure the rights of shareholders, including the rights of minority shareholders, foreign shareholders, and guarantee the implementation of commitments with investors.
2. Transparency. Require information that is open, timely, clear, and can be compared which concerns the financial situation, company management, and company ownership.

3. Accountability. Explain the roles and responsibilities, also support efforts to ensure the balance of interests of management and shareholders, as overseen by the Board of Commissioners (in Two Tiers System).
4. Responsibility. To ensure compliance with rules and regulations that apply as a reflection of compliance with social values. (OECD Business Sector Advisory Group on Corporate Governance, 1998).

2.4 SUSTAINABILITY REPORT

According to GRI (2016), it states that sustainability reports are transparent reporting practices of organizations regarding their economic, environmental, and/or social impacts, and therefore also contribute positively or negatively to sustainable development goals. The information available through sustainability reports enables internal and external stakeholders to form opinions and to make informed decisions about the organization's contribution to sustainable development goals.

According to GRI (2016), Reporting Principles are fundamental to make a high-quality sustainability report. If an organization want to claim that their sustainability report has been made using GRI Standards, the organization needed to applied the reporting principles. One of the reporting principles is the reporting principles for defining report quality guiding choices to ensure the quality of the information in sustainability reports, including their proper presentation. The quality of information is important for stakeholders to make valid and reasonable judgments about an organization and to take appropriate action. Reporting Principles for determining the quality of the report, namely: accuracy, balance, clarity, comparability, reliability, timeliness.

According to GRI (2016), the basic process for reporting sustainability (sustainability report) is to use GRI Standards. If an organization want to claim their sustainability reports have been made using GRI Standards, then the organization is required to comply with all requirements in this section. This requirement is stated by using the word "must" in text and bold type. This requirement guides the reporting organization through the process of preparing a sustainability report which:

1. Apply the Reporting Principles.
2. Report general disclosures.
3. Identifying material topics and their limitations.
4. Reporting on material topics.
5. Presenting information

Hypothesis Development

Research conducted by Fernandez-Feijoo et al. (2012), Hamudiana and Achmad (2017) and Rudyanto and Siregar (2018) are proxied by four indicators based on primary stakeholders namely the Environmentally Sensitive Industry (ESI), Consumer-Proximity Industry (CPI), Oriented

Industries Investor (Investor-Oriented Industry / IOI), and Employee-Oriented Industry (EOI).

H1: Stakeholder pressure affects the quality of the Sustainability Report.

According to Suharyani et al. (2019), corporate governance is the structure used by corporate organs to determine the policies used to improve business success and corporate accountability by Good Corporate Governance. With the implementation of Good Corporate Governance in a company, the company is considered to have tried to convey information to stakeholders, including sustainability reports.

H2: Good Corporate Governance influences the quality of the Sustainability Report.

H3: Stakeholder Pressure and Good Corporate Governance simultaneously influence Sustainability Report Quality.

3. METHODS

This research uses a quantitative method with a descriptive and verification approach because of the variables that will be examined in the relationship and the purpose is to present a picture of the relationship between the variables studied. The population in this study were companies that were listed in Kompas 100 in the 2016-2018 period. The population in this study was 78 companies.

Table 3.1
Purposive Sampling Results

Information	total
Companies registered in Kompas 100 in a row for the 2016-2018 period.	78
Criteria violation:	
1. Companies registered in Kompas 100 do not issue annual reports for the 2016-2018 period.	0
2. Companies that do not publish sustainability reports for the 2016-2018 period.	(57)
3. Companies registered in Kompas 100 that issue sustainability reports do not use GRI standards for the 2016-2018 period.	0
The selected company is the sample	21
Year of Observation	3
Number of observations for the 2016-2018 period	63

Source: www.sahamok.com (processed)

Table 3.2
Variable Operations

Variable	Indicator	Scale	Research Instruments
Stakeholder Pressure (X)	<ul style="list-style-type: none"> • Environmentally-Sensitive Industries 30 items disclosure in the Environmental Aspect Category	Ratio	Sustainability Report
	<ul style="list-style-type: none"> • Consumer-Proximity Industries 3 items of disclosure in the Social Aspect Category (regarding health, customer safety, and customer privacy)	Ratio	
	<ul style="list-style-type: none"> • Investor-Oriented Industries Level of Ownership Concentration (comparison of the number of shares owned by the parent company with the total number of shares of the company)	Ratio	
	<ul style="list-style-type: none"> • Employee-Oriented Industries 17 items disclosures in the Social Category Aspect regarding employees/workers	Ratio	

Variable	Indicator	Scale	Research Instruments
Good Corporate Governance (X)	<ul style="list-style-type: none"> Audit Commissioner Audit Committee = Number of Audit Committee Meetings in one period	Nominal	Annual Report
	<ul style="list-style-type: none"> Board of Directors Board of Directors = Number of Board of Directors meetings in 1 year	Nominal	
	<ul style="list-style-type: none"> Independent Board of Commissioners Independent Commissioner = number of independent commissioners: total number of members of the board of commissioners	Ratio	
	<ul style="list-style-type: none"> Management Ownership $MO = (\text{Number of shares owned} : \text{Number of shares outstanding}) \times 100\%$	Ratio	
Quality Sustainability Report (Y)	<ul style="list-style-type: none"> 9 items disclosure in Economic Aspects 34 items disclosure in Environmental Aspects 48 items of disclosure in Social Aspects 	Ratio	Sustainability Report

4. RESULT AND DISCUSSION

4.1 Classical Assumption Test

4.1.1 Test the Nominality Assumption

Table 4.1
Test Results for Model Normality Assumption

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		63
Normal Parameters ^{a, b}	The mean	0000000
	Std. Deviation	5.72903301
Most Extreme Differences	Absolute	,079
	Positive	,079
	Negative	-,056
Statistical Test		,079
Asymp. Sig. (2-tailed)		,200 ^{c, d}
a. Test distribution is Normal.		
b. Calculated from data.		
c. Lilliefors Significance Correction.		
d. This is a lower bound of true significance.		

In table 4.1 can be seen as the probability value (Asymp.sig.2-tailed) obtained from the Kolmogorov-Smirnov test of 0.200. Because the probability value in the Kolmogorov-Smirnov test is greater than the error rate of 5% (0,05), it is concluded that the regression model is normally distributed.

4.1.2 Test the Assumption of Multicollinearity

Table 4.2

Multicollinearity Assumption Testing Results

Coefficients ^a			
Model		Collinearity Statistics	
		Tolerance	VIF
1	ESI	,664	1,507
	CPI	,640	1,563
	IOI	,751	1,331
	EOI	,618	1,619
	AC	,886	1,129
	BOD	,712	1,405
	IBOC	,684	1,462

Coefficients ^a		
Model	Collinearity Statistics	
	Tolerance	VIF
MO	, 883	1,132

a. Dependent Variable: CSRQUAL

Based on the VIF values obtained as presented in table 4.2 above, there is no strong correlation between the independent variables. This is indicated by the VIF value of the eight independent variables which are still smaller than 10 with a tolerance value greater than 0,1. Thus it can be concluded that there are no symptoms of multicollinearity among the independent variables,

4.1.3 Assumption Test for Heteroskedasticity

Table 4.3

Heteroscedasticity Assumption Testing Results

Correlations			Absolute Residual
Spearman's rho	ESI	Correlation Coefficient	, 010
		Sig. (2-tailed)	, 936
		N	63
	CPI	Correlation Coefficient	- 066
		Sig. (2-tailed)	, 605
		N	63
	IOI	Correlation Coefficient	, 093
		Sig. (2-tailed)	, 467
		N	63
	EOI	Correlation Coefficient	-, 080
		Sig. (2-tailed)	, 533
		N	63
	AC	Correlation Coefficient	-, 159
		Sig. (2-tailed)	, 215
		N	63
	BOD	Correlation Coefficient	-, 221
		Sig. (2-tailed)	, 082
		N	63
	IBOC	Correlation Coefficient	, 074
		Sig. (2-tailed)	, 563
		N	63
	MO	Correlation Coefficient	- 011
		Sig. (2-tailed)	, 933
		N	63

In table 4.3 above, it can be seen that the significance value (sig.) Of the correlation of each independent variable with the absolute residual value is still greater than 0,05. This indicates that the residual value that arises from the regression equation has the same variance, so it can be concluded that heteroscedasticity does not occur in the regression model.

4.1.4 Autocorrelation Assumption Test

Table 4.4
Durbin-Watson Value For Autocorrelation Test

Summary Model ^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	, 899 ^a	, 808	, 779	6,13875	1,875
a. Predictors: (Constant), MO, IBOC, EOI, AC, BOD, IOI, ESI, CPI					
b. Dependent Variable: CSRQUAL					

In table 4. 4 can be seen the statistical value of Durbin-Watson (DW) regression results of 1,875, then from table d for the number of independent variables = 8 and the number of observations $n = 63$ obtained the lower limit of table values (d_L) = 1,370 and the upper limit (d_U) = 1,843. Because the value of the Durbin-Watson outcome regression (1,875) is between d_U (1,843) and $4-d_U$ (2,157), which are in the area do not exist autocorrelation so that it can be concluded no symptoms there is autocorrelation in the regression model. Because all four assumptions of regression have been tested and all of them are fulfilled, it can be concluded that the results of the regression model estimation already meet the BLUE (best linear unbiased estimation) requirements.

4.2 Analysis of Multiple Linear Regression

This research was conducted at companies that published Sustainability Reports that were registered in Kompas 100 from 2016 to 2018. 21 companies are eligible to be sampled, so there are a total of 63 data used. The quality of the Sustainability Report can be measured by two variables, where each variable has four indicators.

The results of the calculation of multiple linear regression analysis as presented in Table 4.5 below.

Table 4.5
Results of Multiple Linear Regression Estimates

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-4,995	5,155		- 969	, 337
	ESI	, 302	, 052	, 424	5,784	, 000

Coefficients ^a					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
CPI	-, 033	, 028	-, 087	- 1,161	, 251
IOI	-, 868	7,550	-, 008	- 115	, 909
EOI	, 329	, 044	, 562	7,409	, 000
AC	-, 025	, 076	- 021	- 324	, 747
BOD	-, 079	, 031	- 179	- 2,535	, 014
IBOC	, 362	, 069	, 379	5,249	, 000
MO	- 830	, 568	-, 093	- 1,461	, 150

a. Dependent Variable: CSRQUAL

Based on the unstandardized coefficients as presented in Table 4.5, multiple linear regression equations can be formed as follows:

$$Y = - 4,995 + 0,302 X_1 - 0.033 X_2 - 0.868 X_3 + 0.329 X_4 - 0.025 X_5 - 0.079 X_6 + 0.362 X_7 - 0.830 X_8$$

Where:

Y = Quality of corporate social responsibility

X₁ = Environmentally-Sensitive Industries

X₂ = Consumer-Proximity Industries

X₃ = Investor-Oriented Industries

X₄ = Employee-Oriented Industries

X₅ = Audit committee

X₆ = Board of directors

X₇ = Independent board of commissioners

X₈ = Management Ownership

The coefficients contained in the equation can be interpreted as follows:

1. The constant of -4,995% shows the average value of the quality of corporate social responsibility in companies registered in Kompas 100 when all independent variables are zero.
2. Environmentally sensitive industries have marked coefficient positive for 0,302, which shows that every increase in the disclosure of environmentally-sensitive industries by 1% predicted would increase the

disclosure of corporate social responsibility by 0,302 percent. This means that companies with disclosure of environmentally-sensitive industries more have a higher sustainability report quality.

3. Consumer-proximity industries have marked coefficient negative for 0,033, shows that every increase in the disclosure of consumer-proximity industries 1% predicted would decrease the disclosure of corporate social responsibility by 0,033 percent. This means that companies with disclosure of consumer-proximity industries more have a lower sustainability report quality.
4. Investor-oriented industries have a negative coefficient of 0,868, indicating that each increasing level of concentration of ownership structure, amounting to 1% predicted would decrease the disclosure of corporate social responsibility by 0,868 percent. This means that companies with disclosure of the level of concentration of ownership structure more have a lower sustainability report quality.
5. Employee-oriented industries have marked coefficient positive for 0,329, shows that every increase in the disclosure of employee-oriented industries by 1% predicted would increase the disclosure of corporate social responsibility by 0,329 percent. This means that companies with disclosure of employee-oriented industries more have a higher sustainability report quality.
6. The audit committee has marked a coefficient negative for 0,025, shows that every increase in the number of audit committee meetings 1 time predicted would decrease the disclosure of corporate social responsibility by 0,025 percent. This means that companies with many audit committee meetings more have a lower sustainability report quality.
7. The board of directors has marked a negative coefficient for 0,079, showing that every increase in the number of boards of directors 1 time predicted meeting would decrease the disclosure of corporate social responsibility by 0,079 percent. This means that companies with many board meetings have a lower sustainability report quality.
8. Independent commissioner has marked coefficient positive for 0,362, shows that every increase in the proportion of independent directors as much as 1% predicted would increase the disclosure of corporate social responsibility by 0,362 percent. This means that companies with a greater proportion of independent directors have a higher sustainability report quality.
9. Management ownership has marked coefficient negative for 0,830, which shows that every increase in investor-oriented industries as much as 1% predicted would decrease the disclosure of corporate social responsibility by 0,830 percent. This means that companies with investor-oriented industries more have a lower sustainability report quality.

4.2.1 Analysis of the influence of environmentally-sensitive industries on the quality of sustainability report

Results were obtained from the comparison of $t_{\text{arithmetic}}$ with t_{table} are $t_{\text{arithmetic}}$ greater than positive t_{table} ($5,784 > 2,005$) and the significance value is less than 0,05 so that at a level of error of 5% it was decided to reject H_0 and accept H_a . It can be concluded that the environmentally-sensitive industries influence the sustainability report quality on companies listed in the Kompas 100. The study provides empirical evidence that companies with disclosure of environmentally-sensitive industries more have a higher sustainability report quality.

4.2.2 Analysis of the effect of consumer-proximity industries on the quality of sustainability report

Results were obtained from the comparison of $t_{\text{arithmetic}}$ with t_{table} is $t_{\text{arithmetic}}$ between negative and positive t_{table} s ($-2,005 < -1,161 < 2,005$) and the significance value is greater than 0,05 so that at a level of error of 5% it was decided to accept H_0 . Thus it can be concluded that consumer-proximity industries partially do not influence the sustainability report quality on companies listed in Kompas 100.

4.2.3 Analysis of the influence of investor-oriented industries on the quality of sustainability report

Results were obtained from the comparison of $t_{\text{arithmetic}}$ with t_{table} are $t_{\text{arithmetic}}$ between negative and positive t_{table} s ($-2,005 < -0,115 < 2,006$) and the significance value is greater than 0,05 so that at a level of error of 5% it was decided to accept H_0 . Thus it can be concluded that investor-oriented industries do not influence the sustainability reports quality on companies listed in Kompas 100.

4.2.4 Analysis of the effect of employee-oriented industries on the quality of sustainability report

Results were obtained from the comparison of $t_{\text{arithmetic}}$ with t_{table} are $t_{\text{arithmetic}}$ greater than positive t_{table} ($7,409 > 2,005$) and the significance value is less than 0,05 so that at a level of error of 5% it was decided to reject H_0 and accept H_a . It can be concluded that the employee-oriented industries influence the sustainability report quality on companies listed in the Kompas 100. The study provides empirical evidence that companies with disclosure of employee-oriented industries more have a higher sustainability report quality.

4.2.5 Analysis of the effect of the audit committee on the quality of the sustainability report

Results were obtained from the comparison $t_{\text{arithmetic}}$ with t_{table} are t_{count} is between negative and positive t_{table} ($-2,005 \leq -0,324 \leq 2,005$) and the significance value greater than 0,05, so that the error rate of 5% was decided to receive H_0 . Thus it can be concluded that the audit committee does not influence the sustainability report quality of on companies listed in Kompas 100.

4.2.6 Analysis of the effect of the board of directors on the quality of the sustainability report

Results were obtained from the comparison $t_{\text{arithmetical}}$ with t_{table} $t_{\text{arithmetical}}$ smaller than negative t_{table} ($-2,535 < -2,005$) and the significance value less than 0,05, so that the rate of error of 5% was decided to reject H_0 and receive H_a . It can be concluded that the board of directors influence the sustainability report quality on companies listed in the Kompas 100. The study provides empirical evidence that companies with the number of board meetings more have a lower sustainability report quality.

4.2.7 Analysis of the influence of independent commissioners on the quality of sustainability report

Results were obtained from the comparison of $t_{\text{arithmetical}}$ with t_{table} $t_{\text{arithmetical}}$ greater than positive t_{table} ($6,249 > 2,005$) and the significance value is less than 0,05 so that at a level of error of 5% it was decided to reject H_0 and accept H_a . Thus it can be concluded that the independent board of commissioners partially influences the sustainability report quality on companies listed in Kompas 100. The results of this study provide empirical evidence that companies with a greater proportion of independent directors tend to have a higher quality sustainability report quality.

4.2.8 Analysis effect of managerial ownership on the quality sustainability report

Results were obtained from the comparison of $t_{\text{arithmetical}}$ with t_{table} $t_{\text{arithmetical}}$ between negative and positive t_{table} ($-2,005 \leq -1,461 \leq 2,005$) and the significance value is greater than 0,05 so that the error rate of 5% is decided to receive H_0 . Thus it can be concluded that managerial ownership does not influence the sustainability reports quality on companies listed in Kompas 100.

4.3 Simultaneous Test

To prove whether stakeholder pressure and good corporate governance simultaneously affect the quality of sustainability reports, a test with statistical hypotheses is carried out as follow:
 H_0 : All $\beta_i = 0$ Simultaneous stakeholder pressure and good corporate governance do not affect the quality of the sustainability report

H_a : There is $\beta_i \neq 0$ Stakeholder pressure and good corporate governance simultaneously affect the quality of sustainability reports

To test this hypothesis, a simultaneous test using the F test obtained through the Anova table is presented in the following table:

Table 4.6
Anova Table For Simultaneous Testing

ANOVA^a

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	8551,224	8	1068,903	28,365	,000 ^b
	Residual	2034,953	54	37,684		
	Total	10586,176	62			
a. Dependent Variable: CSRQUAL						
b. Predictors: (Constant), MO, IBOC, EOI, AC, BOD, IOI, ESI, CPI						

Based on the results of the processing as shown in table 4.6 can be seen the $F_{\text{calculated}}$ value of 28,365 with a significance value of 0,000. Then the F_{value} of the table at the 5 % significance level ($\alpha = 0,05$) and degrees of freedom 8 and 54 is 2,115. Because $F_{\text{arithmetic}}$ (28,365) is greater than F_{table} (2,115), then at a rate of error of 5 % it was decided to reject H_0 so that H_a was accepted. Thus it can be concluded that there is a significant influence of stakeholder pressure and good corporate governance simultaneously on the quality of sustainability reports on companies registered in Kompas100.

4.4 Coefficient of Determination

After being tested and proven that stakeholder pressure and good corporate governance simultaneously have a significant effect on the quality of sustainability report, then it will be calculated how much the influence of stakeholder pressure and good corporate governance simultaneously on the quality of sustainability report on companies listed in Kompas 100. The coefficient of determination obtained through the results of processing using SPSS 22 software for windows as presented in the following table.

Table 4.7
Coefficient of Determination

Summary Model ^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,899 ^a	,808	,779	6,13875	1,875
a. Predictors: (Constant), MO, IBOC, EOI, AC, BOD, IOI, ESI, CPI					
b. Dependent Variable: CSRQUAL					

In table 4.7 above can be seen as R-square of 0,808, known as the coefficient of determination. Through the coefficient of determination, it can be seen that 80,8 % sustainability report quality is due to the pressure of stakeholders and good corporate governance. In other words, the pressure of stakeholders and good corporate governance simultaneously giving the effect of 80,8 % sustainability report quality on companies listed in Kompas 100. While the

rest that is equal to 19,2 % is the influence of other factors outside of stakeholders pressure and good corporate governanc.

CONCLUSION

1. Environmentally-sensitive industries and employee-oriented industries on stakeholder pressure variables influence the sustainability report quality. While consumer-proximity industries and investor-oriented industries do not influence the sustainability report quality. Environmentally-sensitive industries positive influence on the sustainability report quality, where companies with disclosure of environmentally-sensitive industries more have a higher sustainability report quality. Likewise, employee-oriented industries positive influence on the sustainability report quality, where companies with disclosure of employee-oriented industries more have a higher quality sustainability report.
2. The board of directors and independent commissioners on the variable of good corporate governance influence the sustainability report quality. While the audit committee and managerial ownership do not influence the sustainability report quality. The board of directors negatively influences the sustainability report quality, where companies with more directors' meetings have a lower sustainability report quality. Then the independent board of commissioners positively influence the sustainability report quality, where companies with a greater proportion of independent commissioners have a higher quality sustainability report.
3. Stakeholders Pressure and good corporate governance simultaneously influence the quality sustainability report. Simultaneously pressure of stakeholders and good corporate governance have an influence of 80,8 % on the sustainability report quality on companies listed in the Kompas 100.

4.6 SUGGESTION

It is recommended for the company to maintained and increased the awareness of the impact of the company's operations both socially and economically to the surrounding community and the environment, especially on massive operational impacts, such as the disposal of waste resulting from operational activities. This is done to maintain the company's legitimacy, this should be done continuously because the nature of the contract that always changing so it does not cause a gap for the legitimacy of the company, which can threaten the continuity and existence of the company in the community where it stands. One room for development is more extensive disclosure of environmental impacts.

5. LIMITATION

1. The research problem regarding the factors that influence the dependent variable is the quality of sustainability report into two independent variables namely, stakeholder pressure and Good Corporate Governance.
2. In obtaining data in connection with the issues that will be discussed in the preparation of this study, the research was conducted on companies registered in Kompas 100 and published a sustainability report in 2016-2018.

REFERENCES

- Arumingtyas, Lusia. 2020, 29 Juni. Dua Perusahaan Cemari DAS Citarum Kena Hukum Rp16,26 Miliar. *Mongabay* [Online]. Tersedia: <https://mongabay.co.id/>. [4 Maret 2020]
- Budianto, Enggran Eko. 2020, 25 Mei. Warga Mojokerto Tuntut Pabrik Pengolahan Limbah Berbahaya Dibongkar. *detikNews* [Online]. Tersedia: <https://news.detik.com/>. [20 Februari 2019].
- Fernandez-Feijoo, B., Romero S., & Ruiz S. (2012). Effect of Stakeholder's Pressure on. *Journal of Bussines*, 122(1), 56-63.
- Forum Corporate Governance Indonesia (FCGI). (2006). *Governance Publication Test I*. Jakarta.
- Ghozali, I., & A, C. (2007). *Teori Akuntansi*. Semarang: Badan Penerbit Universitas Diponegoro.
- GRI. (2016). *Sustainability Report Disclosure Standard*.
- Hamudiana, A., & T. Achmad. (2017). Pengaruh Tekanan Stakeholder Terhadap Transparansi Laporan Berkelanjutan Perusahaan-Perusahaan di Indonesia. *Journals of Accounting*, Vol. 6, No. 4, hlm: 1-11.
- Jalal. (2007). Tentang Laporan Keberlanjutan Perusahaan. Lingkar Studi CSR. Jakarta. On line at www.csrindonesia.com. Diakses tanggal 25 Januari 2020.
- Magness, V. (2008). Who are the Stakeholders Now? An Empirical Examination of the Mitchell, Agle, and Wood Theory of Stakeholder Saliency. *Journal of Business Ethics*.
- Menkeperin RI. 2016. Peraturan Menteri Perindustrian No. 18/M-IND/PER/3/2016 tentang Penghargaan Industri Hijau.
- Polycarpus, Rudy. 2020, 29 Juni. KLHK Menangkan Gugatan atas Perusahaan Pencemar Sungai Citarum. *Media Indonesia* [Online]. Tersedia: <https://mediaindonesia.com/>. [26 Februari 2020]
- Republik Indonesia. 2007. Undang-Undang No. 40 Tahun 2007 tentang Perseroan Terbatas.
- Republik Indonesia. 2012. Peraturan Pemerintah No. 27 Tahun 2012 tentang Izin Lingkungan.
- Rudyanto, A., & S. V. Siregar. (2018). The Effect of Stakeholder Pressure and Corporate Governance on the Quality of Sustainability Report. *International Journal of Ethics and Systems*, Vol., No., hlm.
- Suhayani, R., Ulum, I., & Jati, A. W. (2019). Pengaruh Tekanan Stakeholder dan Corporate Governance Terhadap Kualitas Sustainability Report.
- Sumandoyo, Arbi. 2020, 25 Mei. Biang Bau Pencemaran Limbah PT Rayon Utama Makmur Sukoharjo. *Tirto.id* [Online]. Tersedia: <https://tirto.id/>. [29 Oktober 2018]
- Sorot Indonesia*, 2020, 29 Juni. PT. How Are You Indonesia Percepat Pembinaan IPAL Setelah Saluran Pembuangan Limbah Ditutup Satgas Citarum. *Sorot Indonesia* [Online]. Tersedia: <https://sorotindonesia.com/>. [3 Juli 2018]