JDA | Jurnal Dinamika Akuntansi
Vol. 14, No. 2, September 2022, pp. 126-137
p-ISSN 2085-4277 | e-ISSN 2502-6224
http://journal.unnes.ac.id/nju/index.php/jda

The Influence of Inventory Turnover, Growth, and Independent Commissioners on Sustainability Reports With the Type of Industry as a Moderating Variable

Niswah Baroroh[1✉], Indah Anisykurlillah[2], Heri Yanto[3] and Fajri Kusumaningrum[4]

[1,2,3,4]Accounting Department, Faculty of Economics, Universitas Negeri Semarang

DOI: http://dx.doi.org/10.15294/jda.v14i2.38797

Submitted: June 16th, 2022 Revised: July 22th, 2022 Accepted: August 30th, 2022 Published: September 6th, 2022

Abstract

Objective: This research aims to analyze the influence of inventory turnover, asset growth, and independent commissioners' meeting frequency on the sustainability report with industry type (non-financial industry) as the moderating variable.

Methods: The research population is 44 non-financial companies listed on the Indonesia Stock Exchange and published their sustainability reports from 2018 to 2020. The sample is taken using a purposive sampling technique with 38 companies and 114 units of analysis. Hypothesis testing is done by using regression analysis by conducting the moderated regression analysis (MRA).

Findings: The results show that the inventory turnover positively influence the disclosure of the sustainability report. Asset Growth negatively affects the disclosure of the sustainability report. Meanwhile, the independent commissioner's meeting frequency does not affect the disclosure of the sustainability report. Next, the type of industry strengthens the relationship between the independent commissioners' meeting frequency on the disclosure of the sustainability report. The type of industry weakens the relationship between the inventory turnover on the disclosure of the sustainability report. The type of industry cannot moderate the relationship between the influence of asset growth and the disclosure of the sustainability report.

Originality: This research originality is the use of industry type as a moderating variable to strengthen the influence of inventory turnover, asset growth, and independent commissioners' meeting frequency on the disclosure of the sustainability report.

Keywords*:*
Sustainability Report, Inventory Turnover, Asset Growth, Independent Commissioner's meeting frequency, Type of Industry.

How to cite (APA 7th Style)
Baroroh, N., Anisyukurillah, I., Yanto, H & Kusumaningrum F.. (2022). The Influence of Inventory Turnover, Growth, and Independent Commissioners on Sustainability With the Type of Industry as a Moderating Variable. Jurnal Dinamika Akuntansi, 14(2), 30-41. https://doi.org/http://dx.doi.org/10.15294/jda.v14i2.38797

INTRODUCTION

A company is established to earn the maximum profit for its activities in a better direction. According to Elkington (1997), profit is not the only goal. It must also raise awareness by providing benefits to its surrounding community or people and actively contributing to protecting the

author (✉)
Corresponding author: niswahbaroroh@mail.unnes.ac.id

sustainability of the surrounding environment which can be called a planet. One strategy to realize this purpose is to publish a sustainability report.

A sustainability report is an annual disclosure of a company's performance in economic, social, and environmental aspects. It shows a company's commitment to the stakeholders and the community transparently as a form of corporate responsibility (Indrianingsih & Agustina, 2020; Rinsman, 2020). Disclosure of sustainability reports can indicate a company's concern towards its surroundings and facilitate a direct assessment of corporate performance by the stakeholders. A sustainability report is a means to measure the company's performance in realizing the triple bottom line, to judge the company's work achievements and consideration in allocating funds, and as a benchmark for other stakeholders to examine corporate social responsibility.

Current phenomena show that the level of concern and corporate social responsibility towards its surroundings is still relatively low. Indifference to the disclosure can decrease social conditions and raise environmental damages, such as a decrease in water quality in the Lawai River in South Sumatra province due to the negligence of PT Bukit Asam Tbk for not managing water quality and controlling water and environmental pollution. PT Bukit Asam Tbk was subject to sanctions through the Decree of the Head of the South Sumatra Environment and Land Service Number 50/KPTS/DLHP/B.IV/2019 (sumselupdate, 2019). The Indonesian government has supported the disclosure of sustainability reports by issuing new regulations in Indonesia to require financial institutions, public companies, and issuers to make sustainability reports through the financial services authority regulation number 51/POJK.03/2017 to support disclosure of sustainability reports.

There are different findings on the inventory turnover and the disclosure of sustainability reports. Purnama & Handayani (2021), Wulanda et al. (2017), and Mujiani & Nurfitri (2020) showed that company activities have a positive effect on the disclosure of sustainability reports. This is not in line with the research by Susanti & Alvita (2019) that proved that company activities harm the disclosure of sustainability reports. Meanwhile, Indrianingsih & Agustina (2020), Sinaga & Fachrurrozie (2017), and Prabaningrum & Pramita (2019) found that company activities do not affect the sustainability report.

Some studies on the asset growth related to the disclosure of sustainability reports reveal a research gap. Wang (2017), Sisdianto & Fitri (2020), and Wigrhayani (2019) stated that growth has a positive effect on the sustainability report. This is different from Widiastuti et al. (2018) and Bhatia & Tuli (2017) who stated that growth hurts the sustainability report. Meanwhile, Karaman et al. (2018), Nuraeni & Darsono (2020), and Kuzey & Uyar (2016) explained that growth does not affect the sustainability report.

Meanwhile, some research on independent commissioners' meeting frequency on the disclosure of sustainability reports also still shows inconsistent results. Aliniar & Wahyuni (2017), Nuraeni & Darsono (2020), and Madona & Khafid (2020) described that independent commissioners positively affect the disclosure of sustainability reports. In contrast to other studies, Purnama & Handayani (2021) and Hardika et al. (2018) found that independent commissioners negatively influence the disclosure of the sustainability report. On the other hand, Indrianingsih & Agustina (2020) and Sinaga & Fachrurrozie (2017) explained that independent commissioners do not affect the disclosure of sustainability reports.

This research adds the type of industry as a moderating variable because there are differences in company characteristics that cause the type of industry also experience differences. High-profile companies will tend to get more attention from the public regarding their social and environmental interests (Widiastuti et al., 2018; Rahaman et al., 2004; Moseñe, 2013). This is because they significantly influence their surroundings in carrying out their company activities (Hardika et al., 2018). One way that companies do to gain public trust is by publishing a sustainability report (Mujiani & Nurfitri, 2020). The use of industry type as a moderating variable is expected to moderate the effect of inventory turnover, asset growth, and independent commissioners' meeting frequency on the disclosure of the sustainability report.

The underlying theories in this research are stakeholder and legitimacy theories. Stakeholder theory explains that the company is not a unit that only acts for its interests, but must provide benefits to stakeholders (Wigrhayani, 2019). Meanwhile, the legitimacy theory describes that companies must strive to ensure that their business can operate sustainably within the norms that apply in the surrounding community so that the information disclosure in the sustainability report can be well-achieved (Rahayu & Cahyaningsih (2020).

The company's activity is in line with stakeholder theory which explains that companies can achieve corporate sustainability by maintaining good relationships with stakeholders. The activity in the form of inventory is related to stakeholders, namely consumers. Inventory is one of the factors thar determine the smooth production and sales (Ernawati, 2015). Production activities carried out by the company can have a negative impact in the form of waste originating from the rest of the production. High inventory turnover can increase the tendency of the companies to publish financial statements and other additional reports such as sustainability reports to obtain a good image of the companies (Fatmawati & Trisnawati, 2022). This is one of the efforts made by the company to gain support from stakeholders for the company's going concern. Because, the disclosure of sustainability reports is needed by stakeholders to see the company's responsibility to the environment and social (mujiani & Nurfitri,2020). Research conducted by Purnama & Handayani (2021) states that inventory turnover has a positive effect on the disclosure of sustainability reports, so the proposed hypothesis is:

H_1: Inventory turnover positively influence the disclosure of the sustainability report.

Stakeholder theory explains that the company is not a unit that only acts for its own interest, but must provide benefits to stakeholders (Wigrhayani, 2019). According to Munsaidah et al (2016); asset growth is one of the considerations of investors in their investment. Companies that have a high asset growth rate will disclose less sustainability reports because the company is more focused on the company's operational activities in order to increase the company's assets (Widiastuti, 2018). This is because, not all investors consider that extensive disclosure of sustainability reports is important, so they are more interested in companies that have good financial performance and are able to meet the information needs required.

Companies with high asset growth make less disclosures aimed at reducing potential losses due to high disclosure of information that can expose the reality of the company's business opportunities to competitors and can potentially cause losses (Bhatia & Tuli, 2017). Research conducted by Bhatia & Tuli (2017) states that asset growth has a negative influence on the disclosure of sustainability reports, so the proposed hypothesis is:

H_2: Asset Growth negatively influences the disclosure of the sustainability report.

The frequency of independent commissioner meetings in this study is in accordance with stakeholder theory which explains how company management meets or manages stakeholder expectation (sinaga& Fachrurrozie, 2017). This can be achieved by disclosing additional information such as a sustainability report. Disclosure if sustainability reports can help stakeholders to see where the company's contribution to sustainable development is and monitor the consistency between the company's values and actions (Dizar et al, 2018). The existence of independent commissioners can encourage fair treatment and place more equal interests between the company and stakeholders when making decisions. The better the performance of independent commissioners in conducting supervision will encourage companies to disclose information widely in the sustainability report. In carrying out its duties, the board of commissioners usually holds regular meetings. This shows that the more often the board of commissioners holds meetings, the better the supervision carried out by the board of commissioners, including independent commissioners, will encourage companies to disclose sustainability reports. This is supported by research conducted by Aliniar& Wahyuni (2017), Rathnayaka Mudiyanselage (2018) and Bhatia & Tuli (2017) which strengthens that the frequency of independent commissioner meetings has a positive influence on the disclosure of sustainability reports. So the proposed hypothesis is :

H_3: Independent Commissioners' meeting frequency positively influence the disclosure of the sustainability report.

The legitimacy theory explains that the disclosure of sustainability reports is one o the requirements to obtain company legitimacy and provides a broader explanation regarding the company (Hahn & Kuhnen, 2013). Base on this theory, companies with high inventory turnover supported by the type of industry from each company have more responsibility in disclosing sustainability reports because there are different characteristics in each industry. Companies that fall into the high profile's category are companies that have a high level of sensitivity to the environment, a high level of political risk, and a tight level of competition (Adiatma & Suryanawa, 2018). Therefore, production activities carried out in high profile industries generate more residue or waste compared to low profile industries because they have a high level of sensitivity to the environment which encourages companies to disclose wider sustainability reports. To reduce pressure from various parties, the company discloses sustainability reports in order to increase the transparency of information related to economic, social and environmental performance so as to gain community legitimacy. Because the community will give a good assessment if the company is able to provide a reciprocal relationship to the environment (Nawawi et al, 2020). The existence of the industrial type moderating variable is expected to strengthen the influence of inventory turnover on the disclosure of the sustainability report.

H_4: The type of industry strengthens the influence of the inventory turnover on the disclosure of the sustainability report.

Based on legitimacy theory, high profile industries can support companies with high asset growth to disclose more information in sustainability reports. This is because companies in high profile industries have greater demands from society than companies in low profile industries because high profile industries are companies that have a significant influence on society and the environment in carrying out their company activities (Hardika et al., 2018). This has resulted in the company trying to disclose the sustainability report as a form of corporate responsibility ti the company gain recognition from the community according to legitimacy theory. Because the community will give a good assessment if the company is able to provide a reciprocal relationship to the environment (Nawai et al., 2020). The existence of the industrial type moderating variable is expected to strengthen the influence of asset growth on the disclosure of the sustainability report.

H_5: The type of industry strengthens the influence of asset growth on the disclosure of the sustainability report.

Dissanayake et al. (2019) states that the type of industry is an important determinant for assessing the extent of disclosure of the sustainability report in each company. Therefore, this type of industry is considered capable of supporting independent commissioners to carry out better supervision so that companies are encouraged to make wider disclosure of sustainability reports. High profile industries are companies that have a significant influence on society and the environment in carrying out their company activities (Hardika et al., 2018). Therefore, an increase in the number of independent commissioner meetings supported by the type of industry that is in a high profile industry will increase the disclosure of a wider sustainability report. This is because the meeting is a means for members of the board of commissioners, including independent commissioners, to communicate and coordinate their duties as management supervisors (Adhipradana & Daljono, 2014). The disclosure is made so that companies can create a harmony between the social values inherent in the activities they carry out with the behavioral norms of the surrounding community as described in the legitimacy theory. The existence of the industrial type moderating variable is expected to strengthen the effect of the frequency of

Table 1 Research Criteria

No	Sample Criteria	Excluded	Total
1	Non-financial companies listed on the Indonesia Stock Exchange that successively publish annual and sustainability reports from 2018-2020.		44
2	Companies that published sustainability reports with GRI Standards in 2016 are presented in the GRI content index table.	(6)	38
3	Companies that provide information on total assets, sales, inventory, and the number of meetings attended by independent commissioners during the 2018-2020 period	-	38
	Research sample		38
	Research year		3
	Unit of analysis (38 x 3 Years)		114

Source: Processed secondary data, 2022

independent commissioner" meetings on the disclosure of the sustainability report.

H_6: The type of industry strengthens the influence of the independent commissioner's meeting frequency on the disclosure of the sustainability report

METHOD

This is quantitative research with secondary data in the form of annual reports and sustainability reports of non-financial companies listed on the Indonesia Stock Exchange from 2018 to 2020. The population of this study are non-financial companies listed consecutively on the Indonesia Stock Exchange which publish sustainability reports during the 2018-2020 period with a total of 44 companies. The sampling technique used purposive sampling technique with 38 companies and 114 units of analysis. The criteria for determining the sample are presented in the following table (Table 1 Research Criteria).

The disclosure of sustainability reports in this study uses a content analysis method based on the 2016 GRI Standards. The 2016 GRI Standards are divided into 3 special categories, they are economic, social and environmental wit total of 77 items. Each item is given a score between 0-5 points based on a six point's scale based on the research of Janggu et al. (2014) (Table 2 Six Point Scale).

The total score for each company is calculated by adding up the scores on each item. Then the actual total score obtained by the company is divided by the maximum total score it should have, with a maximum total score of 77 items x 5 (the highest score on each item) = 385.

Table 2. Six Point Scale

Score	Description
0	No disclosure
1	There is a general disclosure of the item (one to two sentences)
2	There is an item disclosure with a short explanation (three to five sentences)
3	There is an item disclosure with a photo
4	There is a brief disclosure of the item, including costs and a photo or graphic
5	There is a detailed disclosure of the item, including costs and photos or graphics

Source: Janggu et al (2014)

Table 3. Industry Type Rank

Industry Type	Rank	Score
Mining	1	8
Chemical Industry	2	7
Various Industries	3	6
Consumer Goods Industry	4	5
Infrastructure, Utilities and Transportation	5	4
Farming	6	3
Property, Real estate and construction	7	2
Trade, Services and Investment	8	1

Source: Maulana & Baroroh, 2020

This study also uses a moderating variable with the measurement of the scoring variable which gives a score of 8 to companies belonging to high profile industries and a score of 1 to companies belonging to low profile industries. Here's the assessment (Table 3 Industry Type Rank).

The following table summarizes the operational variables (Table 4 Operationalization of Research Variables).

The data are collected using documentation techniques by gathering annual and sustainability reports for non-financial companies listed on the Indonesia Stock Exchange in 2018-2020 through the www.IDX.co.id page and the official website of each company. Descriptive statistical analysis provides an overview and description of the frequency distribution of the variables (maximum, minimum, average (mean), and standard deviation values) (Prabaningrum & Pramita, 2019). Also, descriptive statistical analysis displays the class intervals of some variables. The classical assumption tests used in this research are normality, multicollinearity, heteroscedasticity, and autocorrelation test. The data are analyzed using regression analysis test through interaction test. A moderation regression model is described in the following equation:

$$SR = \alpha + \beta_1 ITR + \beta_2 AG + \beta_3 ITR * TI + \beta_5 AG * TI + \beta_6 IC * TI + € \quad \text{...(1)}$$

SR = Sustainability Report's disclosure; α = constant; β_1 - β_6 = Regression Coefficient; ITR = Inventory turnover; AG = Asset growth; IC = Independent Commissioner's meeting frequency; TI = Type of Industry; ε = error

RESULTS AND DISCUSSION

The results of descriptive statistical analysis in this research can be seen in the following table (Table 3 Descriptive Statistical Analysis Results).

The results of the normality test using the Kolmogorov-Smirnov test show that the significance value of 0.200 is higher than 0.5 (5%), meaning that the data are normally distributed. The results of the multicollinearity test show that the independent and moderating variables have a tolerance value higher than 0.10 and a VIF value lower than 10. It can be concluded that the independent variables do not show symptoms of multicollinearity. The results of the autocorrelation test show that the asymp.sig value is higher than 0.05 (0.851), so there is no autocorrelation problem. The results of the heteroscedasticity test using Spearman's rho test show that each independent and moderating variable has a significance level higher than 5% or 0.05, so there are no symptoms of heteroscedasticity.

The result of the coefficient of determination test (adjusted R2) is 0.234. These results indicate that the independent variables consisting of inventory turnover, asset growth, and independent commissioners' meeting frequency with the type of industry as the moderating

Table 4 Operationalization of Research Variables

No	Variable	Operational definition	Measurement
1	Disclosure of Sustainability Report (Y)	The sustainability report is an annual disclosure of a company's performance in economic, social, and environmental aspects to demonstrate a company's commitment to stakeholders and society transparently as a form of corporate responsibility (Indrianingsih & Agustina, 2020)	The content analysis method is based on a six-point scale, $SR = \frac{\text{Total Actual Score Earned}}{\text{Original Maximum Total Score}}$ (Janggu et al., 2014)
2	Inventory turnover (X1)	The ratio used to determine how many times the funds invested in inventory rotate during one period (Riana & Diyani, 2016).	$ITR = \frac{\text{Cost of Good Sold}}{\text{Average Inventory}}$ (Sinaga & Fachrurrozie, 2017)
3	Asset Growth (X2)	Growth is an increase or decrease in the total assets owned by the company (Sisdianto & Fitri, 2020).	$Growth = \frac{\text{Total Asset for the year} - 1}{\text{Previous Year's Total Asset}}$ (Karaman et al., 2018)
4	Independent Commissioner's meeting frequency (X3)	The total number of meetings attended by the independent commissioner as the division that works and is responsible for supervising and providing information to shareholders (Nuraeni & Darsono, 2020)	Meeting frequency = Total meetings attended by independent commissioners (Siswati et al., 2022)
5	Type of Industry (Z)	The type of industry is a description of a company based on the line of business, company risk, and the expertise of a company in facing business challenges (Sinaga & Fachrurrozie, 2017).	It uses a scoring variable, given a score of 8 if it belongs to a high-profile industry and a score of 1 for a company that belongs to a low-profile industry (Maulana & Baroroh, 2020)

Source: processed from various sources, 2022.

variable can explain the disclosure of sustainability reports by 23.4%. Meanwhile, 76.6% is explained by other variables outside the model. The results of the research hypothesis testing are shown in the following table (Table 4 Results of Hypothesis Testing).

The fluence of Inventory Turnover on Disclosure of Sustainability Report

The results show that the inventory turnover positively influence the disclosure of the sustainability report. They are in line with stakeholder theory which explains that companies can achieve corporate sustainability by maintaining good relationships with stakeholders. Inventory turnover is one of the activities related to stakeholders (consumers). Those having

Table 3. Descriptive statistical analysis results

	N	Minimum	Maximum	Mean	Std. Deviation
SR	114	0.0312	0.2935	0.148757	0.0509811
ITR	114	0.0156	183.5823	13.798404	25.2994217
AG	114	-0.8811	1.1512	0.063468	0.2177906
KI	114	5	155	37.56	24.600
Valid N (listwise)	114				

Source: *Output IBM SPSS Statistics* 25, 2022

strong financial positions tend to have more resources to run their activities smoothly and issue additional disclosures such as sustainability reports. This is one effort made to gain support from stakeholders for the company's survival.

Higher inventory turnover encourages companies to disclose more information in their sustainability report. Production activities may trigger negative impacts in the form of waste from the production residues. Therefore, the disclosure of a sustainability report is needed to show that the operational activities still pay attention to the environmental and social impacts, so that they can remain to perform a positive image. The disclosure of sustainability reports is required by stakeholders to judge the company's responsibility to the environment and social aspects (Mujiani & Nurfitri, 2020). The results of this research are similar with Purnama & Handayani (2021), Mujiani & Nurfitri (2020) and Wulanda et al. (2017).

The Effect of Asset Growth on the Disclosure of Sustainability Report

The research findings indicate that asset growth negatively influences the disclosure of

Table 4. Results of Hypothesis Testing

Nu	Hypothesis	B	t-count	Sig. (<0.05)	Result
1	The inventory turnover positively influence the disclosure of the sustainability report.	0.001	2.010	0.047	Accepted
2	Asset Growth harms the disclosure of the sustainability report.	-0.074	-2.016	0.046	Accepted
3	Independent commissioners' meeting frequency have a positive effect on the disclosure of the sustainability report.	0.000	0.457	0.649	Rejected
4	The type of industry strengthens the influence of the inventory turnover on the disclosure of the sustainability report.	0.000	-2.128	0.036	Rejected
5	The type of industry strengthens the influence of asset growth on the disclosure of the sustainability report.	0.002	0.328	0.744	Rejected
6	The type of industry strengthens the influence of the independent commissioner's meeting frequency on the disclosure of the sustainability report.	0.000	3.202	0.002	Accepted

Source: Processed secondary data, 2022

the sustainability report. The findings of this study are in line with stakeholder theory which explains that the company is not a unit that only acts for its own interest, but must provide benefits to stakeholders (Wigrhayani, 2019). According to Munsaidah et al. (2016), growth is one of the considerations of investors in their investment. Companies that have high asset growth will disclose less sustainability reports because the company is more focused in the company's operational activities in order to increase the company's assets (Widiatuti et al., 2018). This is because, not all investors consider that extensive disclosure of sustainability report is important, so they are more interested in companies that have good financial performance and are able to meet the information needs required.

Companies with high asset growth make less disclosures aimed at reducing potential losses due to high disclosure of information that can expose the reality of the company's business opportunities to competitors and can potentially causes losses (Bhatia & Tuli, 2017). Research conducted by Bhatia & Tuli (2017) states that asset growth has a negative effect on the disclosure of sustainability reports.

The Influence of Independent Commissioners' meeting frequency on the Disclosure of Sustainability Report

The results also show no influence of the independent commissioner's meeting frequency on the disclosure of the sustainability report. Based on the descriptive analysis results, the insignificant effect of the independent commissioner's meeting frequency on the disclosure of the sustainability report is shown by the average value of the independent commissioner's meeting frequency variable which is relatively moderate (38.24). It means that the number of meetings attended by independent commissioners cannot encourage companies to disclose sustainability reports. This is because many things were discussed in the meeting, and the commissioners do not only focus on disclosing the sustainability report.

This finding is different from the stakeholder theory which explains how company management meets or manages stakeholder expectations (Sinaga & Fachrurrozie, 2017). Independent commissioners are equipped with monitoring management behavior to be in line with the wishes of the company and shareholders. This makes the independent commissioner consider an extension of the investor. However, a high or low number of meetings attended by independent commissioners do not affect the sustainability report disclosure, because the discussion topics may vary, and not all independent commissioners can demonstrate their independence when conducting supervision. This results in a lack of encouragement to management in disclosing additional information as a sustainability report. The results of this research are similar to Sinaga & Fachrurrozie (2017) and Indrianingsih & Agustina (2020) who showed that independent commissioners' meeting frequency did not affect the disclosure of sustainability reports.

The Role of the Type of Industry in Moderating the Inventory turnover on the Disclosure of Sustainability Report

The results of this study indicate that the type of industry weakens the effect of inventory turnover on the disclosure of the sustainability report. This finding is not in line with the legitimacy theory which states that companies should strive to ensure that their business can operate sustainably and within the norms prevailing in society. Companies that fall into the high profile's category are companies that have a high level of sensitivity to the environment, a high level of political risk, and a tight level of competition (Adiatma & Suryanawa, 2018). This proves that operational activities at high profile companies are more at risk of causing pollution so that companies are expected to disclose sustainability reports to gain public trust. In fact companies in high profile industries have intense competition so that companies only make modest disclosures, even though inventory turnover is high because they are worried that they will spend a lot of funds on sustainability report disclosure. This is because companies are more focused on good financial performance to meet the interests of investors (Widiastuti et al., 2018). The high activity of the company is a picture of the company's financial performance being a good condition so that the company feels that the disclosure of information in the sustainability report is carried out only as necessary even though it is in a high profile's industry.

The Role of the Type of Industry in Moderating the Effect of Asset Growth on Sustainability Report Disclosure

The results of this study indicate that the type of industry cannot strengthen the influence of asset growth on the disclosure of the sustainability report. This finding is not in line with the legitimacy theory which assumes that the type industry is able to support companies with high asset growth to disclose wider information in sustainability reports in order to gain legitimacy from the community. This is because the type of industry is not able to support companies with high or low asset growth to disclose sustainability reports because it is assumed that the disclosure of sustainability reports is currently starting to be implemented in every country.

Sustainability report disclosure which was originally voluntary is now being rewuired by the government through the financial services authority regulation No 51/POJK.03/2017 (Madona & Khafid, 2020). The disclosure of the sustainability report is carried out by each company in the basis of their awareness to demonstrate their social and environmental responsibilities in accordance with applicable regulations. This shows that companies that have low asset growth will continue to strive to increase the disclosure of sustainability reports even though they are in high profile and low profile industries so that later they can gain sympathy from investors.

The Role of the Type of Industry in Moderating the Influence of Independent Commissioners' meeting frequency on the Disclosure of Sustainability Report

The results indicate that the type of industry supports the influence of the independent commissioners meeting frequency on the disclosure of the sustainability report. The independent commissioner works and is responsible for monitoring and providing information to shareholders (Nuraeni & Darsono, 2020). Based on the legitimacy theory, the type of industry supports independent commissioners' meeting frequency to carry out better supervision to encourage the companies to make wider disclosure of sustainability reports. It is because the high profile companies experience more pressure from the community, so the independent commissioners carry out more supervision to encourage the companies to disclose sustainability reports as a form of corporate responsibility to gain legitimacy from the public.

The high profile companies tend to get more attention from the public regarding their social and environmental interests (Widiastuti et al., 2018). Independent commissioners will make more efforts to maintain the company's viability in the long term by pressing management to provide additional information such as sustainability reports. This is because the company's survival is determined by maintaining economic, environmental, and social sustainability (Kuzey & Uyar, 2016). This means that the increasing number of meetings attended by independent commissioners will increase the disclosure of a wider sustainability report because the company is in a high-profile industry.

CONCLUSIONS

The average level of sustainability report disclosure in non-financial companies listed on the Indonesia Stock Exchange from 2018-2020 is in a low category (14.88%). The inventory turnover positively affect the disclosure of the sustainability report. Asset Growth harms the disclosure of the sustainability report. Meanwhile, the independent commissioner's meeting frequency does not influence the disclosure of the sustainability report. Next, the type of industry strengthens the relationship between the independent commissioners' meeting frequency and the disclosure of the sustainability report. The type of industry weakens the relationship between the inventory turnover and the disclosure of the sustainability report. The type of industry cannot moderate the relationship between the asset growth and the disclosure of the sustainability report.

The results of this study provide an overview for investors and potential investors to pay attention to inventory turnover and asset growth before investing their funds in companies in order to obtain optimal investment. This is because the results of this study show that inventory turnover has a positive effect and asset growth has a negative effect, so investors and potential investors do not only pay attention to the disclosure of the sustainability report. In addition, this study can be used as a reference for companies to increase sustainability repot disclosures because the level of sustainability report disclosure in non-financial companies listed on the Indonesia Stick Exchange during the 2018-2020 period is still relatively low.

This study has limitations, namely it does not present the percentage of sustainability report disclosure without a score and this study uses not only the number of meetings attended by independent commissioners in the board of commissioners' meeting, but the entire meeting attended by independent commissioners in one period. Further researchers are advised to present the percentage of sustainability report disclosures with scores and without scores and add other variables outside the study that can have an influence on the sustainability report because the variables of this study are only limited to inventory turnover, asset growth, frequency of independent commissioner meetings' frequency and type of industry and can replace the research sample so as obtain maximum research results.

REFERENCES

Adiatma, K. B., & Suryanawa, I. K. (2018). Pengaruh Tipe Industri, Kepemilikan Saham Pemerintah, Profitabilitas Terhadap Sustainability Report. E-Jurnal Akuntansi Universitas Udayana, 25(2), 934–958. https://doi.org/10.24843/eja.2018.v25.i02.p05

Aliniar, D., & Wahyuni, S. (2017). Pengaruh Mekanisme Good Corporate Governance (GCG) Dan Ukuran Perusahaan Terhadap Kualitas Pengungkapan Sustainability Report Pada Perusahaan Terdaftar Di BEI. KOMPARTEMEN, 15(1), 26–41.

Bhatia, A., & Tuli, S. (2017). Corporate Attributes Affecting Sustainability Reporting: an Indian Perspective. International Journal of Law and Management, 59(3), 322–340. https://doi.org/10.1108/IJLMA-11-2015-0057

Elkington, J. (1997). cannibals with forks.

Hardika, A. L., Manurung, D. T. H., & Mulyati, Y. (2018). Corporate Governance Mechanism, Company Size Financial Performance and Sustainability Reporting. International Journal of Engineering & Technology, 7(4.34), 201–203. https://doi.org/10.14419/ijet.v7i4.34.23888

Indrianingsih, & Agustina, L. (2020). The Effect of Company Size, Financial Performance, and Corporate Governance on the Disclosure of Sustainability Report. Accounting Analysis Journal, 9(2), 116–122. https://doi.org/10.15294/aaj.v9i2.31177

Janggu, T., Darus, F., Zain, M. M., & Sawani, Y. (2014). Does Good Corporate Governance Lead to Better Sustainability Reporting? An Analysis Using Structural Equation Modeling. Procedia - Social and Behavioral Sciences, 145, 138–145. https://doi.org/10.1016/j.sbspro.2014.06.020

Jannah, U. A. R., & Kurnia. (2016). Pengaruh Kinerja Keuangan Terhadap Pengungkapan Sustainability Report Pada Perusahaan Di BEI. Jurnal Ilmu Dan Riset Akuntansi, 5(2), 1–15.

Karaman, A. S., Kilic, M., & Uyar, A. (2018). Sustainability Reporting in the Aviation industry: Worldwide Evidence. Sustainability Accounting, Management and Policy Journal, 9(4), 362–391. https://doi.org/10.1108/SAMPJ-12-2017-0150

KNKG. (2006). Pedoman Umum Good Corporate Governance Indonesia.

Kuzey, C., & Uyar, A. (2016). Determinants of sustainability reporting and its impact on firm value: Evidence from the emerging market of Turkey. Journal of Cleaner Production, 143, 27–39. https://doi.org/10.1016/j.jclepro.2016.12.153

Madona, M. A., & Khafid, M. (2020). Pengaruh Good Corporate Governance Terhadap Pengungkapan Sustainability Report dengan Ukuran Perusahaan sebagai Pemoderasi. Jurnal Optimasi Sistem Industri, 19(1), 22–32. https://doi.org/10.25077/josi.v19.n1.p22-32.2020

Maulana, B., & Baroroh, N. (2020). Pengaruh Tipe Industri, Ukuran Perusahaan, Profitabilitas, Leverage dan Environmental Performance Terhadap Environmental Disclosure (Studi Empiris pada Perusahaan Peserta PROPER Tahun 2018-2020). Owner: Riset & Jurnal Akuntansi, 6(1), 930–939.

Moseñe, J. A., Burritt, R. L., Sanagustín, M. V., Moneva, J. M., & Tingey-Holyoak, J. (2013). Environmental reporting in the Spanish wind energy sector: an institutional view. Journal of Cleaner Production, 40, 199-211.

Mujiani, S., & Nurfitri, T. (2020). Analisis Faktor-Faktor Yang Mempengaruhi Pengungkapan Sustainability Report Pada Perusahaan LQ45 Yang Terdaftar Di Bursa Efek Indonesia. Jurnal Akuntansi Dan Keuangan, 2(1), 18–35. https://uia.e-journal.id/Akrual/article/view/1042

Munsaidah, S., Andini, R., & Supriyanto, A. (2016). Analisis Pengaruh Firm Size, Age, Profitabilitas, Leverage, dan Growth Perusahaan Terhadap Corporate Social Responsibility (CSR) Pada Perusahaan Property dan Real Estate yang Terdaftar di Bursa Efek Indonesia Pada Tahun 2010-2014. Journal Of Accounting, 2(2).

Nuraeni, N., & Darsono. (2020). Pengaruh Kinerja Perusahaan, Komisaris Independen dan Kepemilikan Manajerial Terhadap Pengungkapan Sustainability Reporting. Diponegoro Journal of Accounting, 9(2), 1–13. http://ejournal-s1.undip.ac.id/index.php/accounting

Prabaningrum, S., & Pramita, Y. D. (2019). Pengaruh Karakteristik Perusahaan Dan Tata Kelola Perusahaan Terhadap Pengungkapan Sustainability Report (Studi Empiris Pada Perusahaan Non Keuangan yang Terdaftar di Bursa Efek Indonesia Periode 2013-2018). Prosiding 2nd Business and Economics Conference In Utilizing of Modern Technology, 331–345. http://journal.ummgl.ac.id/index.php/conference/article/view/3319

Purnama, D. P., & Handayani, B. D. (2021). The Effect of Financial Performance and Corporate Governance on Sustainability Report Disclosure with Company Size as a Moderation. Accounting and Finance Studies, 1(02), 138–162. https://doi.org/10.47312/aar.v5i01.319

Rahayu, A. J., & Cahyaningsih. (2020). Faktor-Faktor Yang Memengaruhi Pengungkapan Laporan Keberlanjutan (Studi Pada Perusahaan Non Keuangan Yang Terdaftar Di Bursa Efek Indonesia Periode 2016-2017). Journal of Accounting and Finance, 4(1). https://doi.org/10.25124/jaf.v4i1.2233

Rahaman, A. S., Lawrence, S., & Roper, J. (2004). Social and environmental reporting at the VRA: institutionalised legitimacy or legitimation crisis?. Critical perspectives on Accounting, 15(1), 35-56.

Rinsman, T., & Prasetyo, A. (2020). The Effects of Financial and Environmental Performances on Firm Value with Environmental Disclosure as an Intervening Variable. Jurnal Dinamika Akuntansi, 12(2), 90-99. doi:https://doi.org/10.15294/jda.v12i2.24003

Sinaga, K. J., & Fachrurrozie. (2017). The Effect of Profitability, Activity Analysis, Industrial Type and Good Corporate Governance Mechanism on The Disclosure of Sustainability Report. Accounting Analysis Journal, 6(3), 347–358. https://doi.org/10.15294/aaj.v6i3.18690

Sisdianto, E., & Fitri, A. (2020). Pengaruh Firm Growth and Firm Value on Corporate Social Responsibility in Indonesia. Jurnal Akuntansi Dan Keuangan Islam, 1(1), 9–24.

Siswati, R., Maslichah, & Afifudin. (2022). Pengaruh Konservatis,e Akuntansi, Kualitas Pelaporan Keuangan dan Good Corporate Governance Terhadap Asimetri Perusahaan Manufaktur Industri Barang Konsumsi yang Terdaftar di BEI Tahun 2018-2020. Fakultas Ekonomi Dan Bisnis Universitas Islam Malang, 11(04), 38–50.

sumselupdate. (2019). No Title. https://sumselupdate.com/dapat-sanksi-administrasi-ptba-terancam-dibekukan-dan-dicabut-izin/

Susanti, L., & Alvita, A. (2019). Pengaruh Karakteristik Perusahaan Terhadap Pengungkapan Sustainability Report. JSMA (Jurnal Sains Manajemen & Akuntansi), XI(2).

Wang, M. C. (2017). The relationship between firm characteristics and the disclosure of sustainability reporting. MDPI, 9(4). https://doi.org/10.3390/su9040624

Widiastuti, H., Utami, E. R., & Handoko, R. (2018). Pengaruh Ukuran Perusahaan, Tipe Industri, Growth, dan Media Exposure Terhadap Pengungkapan Tanggung Jawab Sosial Perusahaan. Riset Akuntansi Dan Keuangan Indonesia, 3(2), 107–117.

Wigrhayani, N. N. S. W. (2019). Pengaruh Tipe Industri, Growth, Profitabilitas, dan Ukuran Perusahaan Terhadap Pengungkapan Corporate Social Responsibility. Jurnal Ilmu Dan Riset Akuntansi, 8(8).

Wulanda, R. D. P., Hasan, A., & Ilham, E. (2017). Pengaruh Karakteristik Perusahaan dan Corporate Governance Terhadap Publikasi Sustainability Report (Studi Empiris pada Perusahaan LQ45 yang Terdaftar di BEI Tahun 2011-2014). Jurnal Online Mahasiswa (JOM) Universitas Riau, 4(1).