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The Role Of Internet Financial Reporting Elements In Mediating Systematic Risk And Debt Policy As An Effort To Increase Firm Value

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ABSTRACT

This study aims to analyze the ability of Internet Financial Reporting (IFR) to mediate the relationship between debt policy and systematic risk to fixed values. The research data is companies that are in the order of LQ45 listed on the Indonesia Stock Exchange in 2018-2022. Analysis of the path with the lowest square partially shows the IFR element as a mediator. The test results show that debt policy is detrimental to fixed value and systematic risk has no effect on fixed value. Both debt and risk policies have a positive effect on IFR. The practical implication of the results of this study is that the role of IFR as a mediator occurs when the company has the completeness of IFR elements, namely content, technology, time feasibility, and convenience for users. The role of IFR is very important to be able to increase the value of the company by giving positive signals to investors who make decisions. Companies must pay attention to elements of technology and user support so that IFR can function optimally to increase firm value.

INTRODUCTION

Economic growth in Indonesia is currently in a state of survival from various pressures. The current economic pressures faced occur due to environmental uncertainty causing a slowdown in economic growth. The existence of high inflationary pressures, tight monetary policy, and Covid control in China, the Russia-Ukraine, and Israel-Palestine geopolitical crises have had an impact on the decline in trade cooperation between countries. However, amid high global uncertainty, Indonesia managed to obtain an improved outlook from standard and poor rating agencies and affirmation of Sovereign Credit Rating from several international rating agencies. Optimism of activity in the Indonesian capital market can still increase the value of companies that show a fairly good performance. The value of companies listed on the IDX remains able to attract investors to increase the number of investors in listed companies. The increase in firm value seen from the level of actors and investors in the Indonesian capital market was able to crown the Indonesia Stock Exchange (IDX) as The Best Stock Exchange in Southeast Asia on December 12, 2022 (Sadono, 2023).

Investors consider the value of companies in the LQ45 Index to have a healthy financial condition with good growth prospects. However, the performance conditions of 36 of the 45 most liquid stocks on the Indonesian stock exchange were in the red zone in 2018 (Wereza, 2018). Fluctuations during the covid 19 pandemic did not necessarily reduce the value of the company, which was erratic further in 2020, 23 issuers were experiencing an increase in net profit and 8 issuers managed to increase net profit by more than 100% with the highest increase recorded by Indo Tambangraya Megah whose net profit jumped 579% (Muamar, 2020). Some LQ45 issuers in 2023 have difficulty in settling their debts because they must be calculated in United States dollars (US). For example, PT Indofood CBP Sukses Makmur Tbk (ICBP) has bond debt as of June 30, 2023, in US dollars, which if converted is worth IDR 41.32 trillion. In addition, there are also trade payables in US dollars worth US$ 13.5 million or Rp 203 billion (Rahmana, 2023). The source of funding from debt is an effort to stabilize and even increase the value of the company as a form of investment that comes from external sources (Chien et al., 2022). Similarly, the value of shares traded indicates the value of investment risk considered by investors. Indonesia currently has the potential to attract substantial investment from investors from the stock exchange (Hudaya & Firmansyah, 2023).

The signal theory explains that investors will react in the market by assessing the company based on financial information (Meliana & Sari, 2023). Firm value is influenced by changes in various factors that occur due to current events or information. Monetary-related information is fundamental information for investors. (Krueger et al., 2020). The existence of corporate information content regarding debt policy and systematic risk is relevant information to describe the company's condition. The effect of debt policy on firm value is a form of decision that affects the capital structure. Debt policy strategies need to adapt to the rapidly changing conditions of the modern business environment (Chaidir et al., 2022). In addition, it is necessary to have a debt policy that offsets the systematic risks faced, so that the company can have sustainable company value. Debt and risk policy is a form of strategic reaction owned by the company to deal with various unfavorable possibilities that affect the value of the company in the future (Das & Kumar, 2023; Seth & Mahenthiran, 2022). From the point of view of investors and creditors, firm value information comes from the ability of visible managerial information to signal debt policy, risk, and the publication of information through a well-informed web (Fuad et al., 2020; Kartika et al., 2023). The results of this study can be used by various parties both external and internal in analyzing the value of the company which is determined by the adequacy of the provision of financial resources through debt policy, the ability to manage the risks faced, and the disclosure of financial information on a well-communicated web. Debt policy that can be calculated by the leverage value can control the value of the company (Chaidir et al., 2022; Majidi et al., 2023). The risk inherent in the share price can help creditors understand the company's strategy through conservative and aggressive approaches to maintain the value of assets, current liabilities, and non-current liabilities. Companies that have a high value in the stock market trading are in high confidence and thus have a better frequency of transactions (Abdullah, 2019; Bananuka & Nkundabanyanga, 2022; Kamiya et al., 2021).

Disclosure of information about financial conditions through the website, namely with IFR, is one of the obligations of government regulatory provisions. Companies listed on the Indonesian capital market are required to voluntarily disclose financial condition information through the website has been implemented since 2012. So that this transparency is an obligation of the company to inform financial conditions that are useful for all stakeholders including investors. Investors expect data about the company's condition to be comparable, fast, efficient, and can reach a wide range of users, and can be accessed anywhere. The level of information disclosure on the company's website can reduce investor doubts in making decisions (Boshnak, 2020). Information on the website affects the frequency of stock trading, complete content, technological support, timeliness, and features that make it easier for investors to evaluate the company (Taqwa & Januriati, 2023). Information transparency is a positive signal that drives supply and demand transactions by investors, the better the means of using Internet Financial Reporting (IFR), the more it increases the value of the company (Fuad et al., 2020; Kartika et al., 2023). However, the results differ from the research conducted by Susilawati et al. (2022), and Gathoni and Muiru (2023) show that IFR still cannot affect firm value. This is due to the low ability of infrastructure and website management technology that supports the delivery of various company financial information. Economic growth in Indonesia is currently in a state of survival from various pressures. The current economic pressures faced occur due to environmental uncertainty causing a slowdown in economic growth. The existence of high inflationary pressures, tight monetary policy, and Covid control in China, the Russia-Ukraine, and Israel-Palestine geopolitical crises have had an impact on the decline in trade cooperation between countries. However, amid high global uncertainty, Indonesia managed to obtain an improved outlook from standard and poor rating agencies and affirmation of Sovereign Credit Rating from several international rating agencies. Optimism of activity in the Indonesian capital market can still increase the value of companies that show a fairly good performance. The value of companies listed on the IDX remains able to attract investors to increase the number of investors in listed companies. The increase in firm value seen from the level of actors and investors in the Indonesian capital market was able to crown the Indonesia Stock Exchange (IDX) as The Best Stock Exchange in Southeast Asia on December 12, 2022 (Sadono, 2023).

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This study focuses on the results of corporate reporting related to debt policy, risk, IFR disclosure, and firm value rather than on the impact of firm value. The interesting thing is that the object of research is companies that have the highest liquidity of LQ45 from 2018 to 2022, where there is a covid 19 pandemic and various fluctuations in market instability. The main differences between previous research and current research. First, this study analyzes the relationship between debt policy, IFR disclosure, and firm value. Second, it analyzes the relationship between risk, IFR disclosure, and firm value. Third, testing the value of the company which was previously tested using the book value of shares in this research emphasizes the role of Tobin Q. Fourth, in this study the role of IFR uses four constituent dimensions, namely content, technology, time suitability and user convenience. The novelty of this research compared to previous research is the strength of the constituent dimensions of IFR. These results have an important impact on all stakeholders that information transparency, especially for external parties, is very important and can signal investors.

LITERATURE REVIEW

Signaling Theory

Information in the financial statements used to give certain signals to stakeholders is proof that a company's value is better than other companies. The transparency of the company's value provides a signal that supports the company's desired information about the company's financial condition (Kartika et al., 2023). So the theoretical framework for this research is based on the theory of signaling which was first proposed by Spence (1973) which explains that most information communicates signals that can be used as considerations in making investments. The signal communicates a detailed report on the company's financial condition, to get an assessment from investors (Muthi'ah & Chang, 2023).

The function of signaling and filtering is to reduce the asymmetry of information around the signaler that is unobservable but has relevant characteristics thereby improving the decision-making of the signal receiver (Svetek, 2022). The important components of the five signals include signal observability, cost, credibility, frequency, and consistency which provide information in the financial statements. This information provides a signal that relates to related parties so that the company can convey expectations regarding the results of the company's financial statements. Furthermore, the information provided as a signal is information disclosed through the media, namely Internet Reporting Financial (IFR). The company takes this action so that company can convey it to external parties in the hope that it can easily gather a party (Friske et al., 2023; Fuad et al., 2020).

The Effect Of Debt Policy On Firm Value

The company's policy in determining debt can be a signal to investors. Signaling Theory explains why companies have a desire to provide financial statement information to external parties. The information provided by the company is a signal of the actions taken by the company's management as an instruction to investors about how management views the company's prospects (Nazir et al., 2021). Companies that have favorable prospects will try to avoid selling shares and try to raise new capital in other ways such as using debt. A high debt-to-leverage ratio can negatively affect firm value (Muthi'ah & Chang, 2023). Debt policy to increase the amount of company capital requires an effort to make a profit in the hope of meeting debt settlement obligations. The prospect of debt settlement is what causes a decrease in investor confidence it reduces the company's value (Kurniasih et al., 2022). Firm value is influenced by its debt policy. Debt policy refers to the policy of the extent to which a business uses resources derived from its debt. The more debt a company has, the more operational problems will arise due to cash flow constraints. This will lower investor confidence, which will result in default and possibly damage the company's reputation in the eyes of investors and other stakeholders (Majidi et al., 2023). An increase in the company’s debt policy can reduce the com

- H_1 Debt policy Has Negative effect on firm Value

The Effect Of Systematic Risk On Firm Value

The risks faced by the company can be a signal to users of financial statements. This signal is in the form of information on how the company can control risks to increase firm value. Information related to the risks faced by the company in the annual report shows the transparency of the company's ability. The company's value is high when it can maintain the risk of fluctuating stock values. Changes in stock prices illustrate how a company can overcome the risks it faces. The risk used in determining the value of shares is a systematic risk that affects the value of a company.

It is this risk that signals the condition of the company's value (Muthi'ah & Chang, 2023). If the share price decreases, it can reduce the company's capital capability and investor confidence, thereby reducing the company's value. Likewise, if the share price increases, it can affect investor confidence and have an impact on increasing firm value (Das & Kumar, 2023). The value of systematic risk is important for investors, to be used in making investment decisions. Systematic risk is a risk that is always faced due to movements in the capital market (Roy & Bandopadhyay, 2021).

- H_2 Systematic Risk Has a Positive Effect on Firm Value

The Effect Of Ifr On Firm Value

The company wants to show its profile and information using the Internet as a means of communication with external parties. According to signal theory, the use of the internet is part of a high-quality signal (Dolinšek et al., 2014). The quality of the company can be seen from the profile and information that is communicated to investors more openly. A low company profile will limit access to a wider range of accounting information users. Firm values that are favorable to investors can disclose information more transparently. This indicates a competitive advantage for the company (Ghazieh & Chebana, 2021). IFR is a medium used to present all the information needed by stakeholders. The internet is a media provider that presents information faster so that it can be more useful in financial reporting. Information presented by companies through Internet media can provide confidence to investors and can increase the purchasing power of shares (Muthi'ah & Chang, 2023).

Transparency of financial statements is presented online as a process of providing information to all stakeholders. Company assets presented online on the website aim to strengthen ownership relationships with investors, analysts, stock buyers, and also users of the company's portfolio. High IFR disclosure is a good information-gathering tool for investors and increases firm value. Likewise, weak IFR disclosure can reduce the image of investors, thereby reducing firm value (Nurlatifah, 2023). This can happen because of the estimated costs associated with the production and dissemination according to the company’s technological capabilities

- H_3 IFR Has a Positive Effect on Firm Value

The Effect Of Debt Policy On IFR

Corporate communication uses signals that shareholders can receive. Business disclosure through the use of digital media can be used to improve information quality. Disclosure of debt policies taken by companies can affect online disclosure through digital media (Maulana & Almilia, 2018). Debt policy refers to the company's decision to manage its debt. Debt policy is related to IFR, namely how debt is recognized, measured, and reported through Internet media in financial reporting. The relationship that affects the financial statements regarding debt policy to IFR in an entity, depends on the ability of the internet medium (Iskandar & Alim, 2024). Debt policy that is conveyed financially through the internet media needed by investors, can increase financial reporting through IFR. High debt policy can increase technological development capabilities making it easier to disclose IFR (Ghanem & Ariff, 2016). High leverage can reduce stakeholder concerns if disclosed through IFR. Information about the amount of debt held includes receipts and payments that are transparently conveyed through high IFR (Boshnak, 2020). A high debt policy is associated with high trust from stakeholders concerning a company's IFR disclosure (Muthi'ah & Chang, 2023).

- H_4 Debt Policy Has a Positive Effect on IFR

The Effect Of Systematic Risk On IFR

The announcement of accounting information is a signal about what the company has done. Signaling theory explains the desire of companies to provide information to external parties about prospects through IFR (Friske et al., 2023). Reduced information in IFR is a way to protect a company from outsiders regarding low stock price conditions due to the prospect of systematic risks faced. Systematic risk is the risk associated with the market situation. Risks that are always related to changes that occur in the market as a whole can affect IFR disclosure (Bananuka & Nkundabanyanga, 2022). This risk affects all IFR activities that signal investments from external parties. This systemic risk is faced by all businesses related to market fluctuations that affect fluctuations in IFR disclosures (Krueger et al., 2020). Incomplete and accurate IFR information is influenced by the company's ability to overcome adverse risks such as inflation. The systematic risk present in a company can describe as much as the information conveyed by the IFR regarding the strength of its sales operations (Pinto & Ng Picoto, 2016; Taqwa & Januriati, 2023). The occurrence of systematic risk activities has the potential for IFR that reveal a company's organizational culture. High systematic risk management is very important to be conveyed through IFR so that it can increase the company's revenue (Nugroho & Halik, 2021).

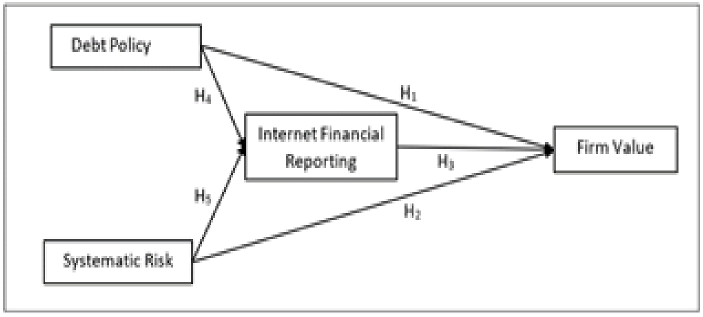
- H_5 Systematic Risk Has a positive effect on IFR

IFR Is A Mediator In The Relationship Between Debt Policy And Systematic Risk On Firm Value

Internet Financial Reporting is one of the media used to provide relevant information regarding the company's financial performance. This information can help investors and stakeholders assess the suitability of investors and the potential profits obtained from the company. IFR can influence the improvement of financial reports by providing company financial information so that the information provided can be trusted by investors and can increase firm value. Companies that have good debt policy performance have the potential to develop good firm value through Internet media and company websites. IFR can provide information about a company's operational and financial activities that can help stakeholders understand and assess systematic risks associated with the company. Disclosure of IFR information can be more extensive and transparent, this can encourage easy access to information regarding company performance because it is internet-based and easy-to-use technology, this is done so that it can have an impact on decision-making, especially matters relating to greater risk in investing. easier and lower so that it can influence the company's value so that it can continue to increase.

- H_6 IFR as a mediator of the relationship between debt policy and firm value
- H_7 IFR as a mediator of the relationship between systematic risk and firm value

Figure 1 Theoretical Framework



METHODS

This study uses all companies that are included in LQ 45, and these companies are listed on the Indonesia Stock Exchange from 2018 until 2022.

Table 1 Sample Selection Criteria

Sample Criteria	Total
Companies in LQ 45 position in 2018-2022	225
Casewise Data	(7)
Number of data observed	218

In this study using PLS-SEM path analysis with the analysis model in Figure 1, where there is one unobserved variable that is tested more deeply about the strength of the indicators that make up the IFR assessment. The operational definition in compiling the regression equation to test the hypothesis is in Table 2 and the regression equation from path analysis is as follows

$$\textbf{Tobin q} = \alpha + \beta_1 \textbf{ Lev} + \beta_2 \textbf{ Beta} + \beta_3 \textbf{ IFR} + e \quad (1)$$

$$\textbf{IFR} = \alpha + \beta_1 \textbf{ Lev} + \beta_2 \textbf{ Beta} + e \quad (2)$$

Table 2 The Operational Definition

Definition	Formulation
Firm value can be defined as the investor's perception of a company's success rate which is closely related to its share price, the success of its management operations, and the level of liquidity.	Tobin Q = (MVE+PS+DEBT)/AT MVE = (share price at the end of the financial year)×(number of common shares outstanding) PS = liquidating value of the firm's preferred shares DEBT = (current liabilities – current assets) + (book value of inventories) + (book value of long term debt) AT = book value of Asset
Debt Policy with leverage value, which is used to determine the amount of external loans used to increase a company's assets.	Leverage = Debt Total/Assets Total
Systematic risk uses the Beta (β) value of the stock price. This value is the risk value of price fluctuations that occurred this year and last year and cannot be avoided (Nugroho & Halik, 2021)	Beta = $[n.\sum(Rmt.Rit)] - (\sum Rmt.\sum Rit)$ **/** $[n.(\sum Rmt^2)] - (\sum Rmt^2)$ Rit =(Pt − P{t−1}) P(t−1) Rmt = IHSGt – IHSG(t-1) /IHSG(t-1)
Financial Reporting is measured by an index expressed in four criteria on each item list, namely Content (20%), Timeliness (20%), Technology (40%), and User Support (40%) with 112 items with the highest point value of 148 (Kartika et al., 2023) (Januriati & Taqwa, 2023)	

RESULTS

The descriptive data results in Table 3 below, show that the standard deviation value is smaller and closer to the Mean value. This means that the data has a high probability that resembles the mean value so that it can be used to assess the accuracy of the research results.

Table 3 Descriptive statistics

	Minimum	Maximum	Mean	Std. Deviation
Debt policy	,023	,850	,27732	,171471
Systematic Risk	,011	1,991	,70299	,687269
IFR Content	,234	,265	,24452	,015167
IFR Technology	,429	,498	,47288	,013876
IFR Time Lines	,226	,293	,25589	,013676
IFR User Support	,437	,488	,45530	,009882
Firm Value	,312	1,633	,95829	,430035

The data shows that the average value of debt policy is at a low value of only 27%. The average value of Systematic Risk data has a high value. As for the value of the elements of IFR disclosure, all have a high average value of disclosure. The correlation table of the variables used in this study shows that the discriminant validity of the model constructs is evaluated by analyzing the Fornell-Larcker Criterion, the coefficient value looks higher than the correlation coefficient. The assumption of model fit with SmartPLS is that the SRMR = 0.046 value is below 0.08; NFI = 0.92 above 0.90; Cronbach's alpha and CR values are greater than 0.7 indicating good internal consistency reliability. The outer model shows that the Variance Inflation Factors (VIF) show all values significantly below the acceptable threshold of below 3 in Table 4.

Table 4 Variance Inflation Factors (VIF)

	IFR	Firm Value
IFR		2,472
Systematic Risk	1.002	2,318
Debt Policy	1.002	1,125

Table 5 Outer Loading and Outer Weight Indicator

	Outer Loading	Outer Weight	t Statistics	P Value
Leverage - Debt Policy	1.000	1.000		
Beta Return – Risk	1.000	1.000		
Tobin Q – Firm Value	1.000	1.000		
IFR Content	0.662	0.366	5.334	0.000
IFR Technology	0.892	0.578	11.171	0.000
IFR Timelines	0.621	0.270	3.711	0.000
IFR User Support	0.891	0.460	6.437	0.000

Based on Table 5, shows that the constituent element of IFR which has the strongest element, namely technology followed by user support, is the most important element disclosed by a company because it shows the company's ability to convey information according to investor needs. Furthermore, the discussion of the test results using path analysis can be summarized in Table 6 below.

Table 6 Hypothesis Testing Results

Hypothesis	Sign	Path	Coefficient	t Statistics	P Value	Conclusion
H_1	(–)	Debt Policy → Firm Value	-0,153***	3,862	0,000	Accept
H_2	(+)	Systematic Risk → Firm Value	0,096	1,519	0,127	Reject
H_3	(+)	IFR → Firm Value	0,847***	16,609	0,000	Accept
H_4	(+)	Debt Policy → IFR	0,236***	5,862	0,000	Accept
H_5	(+)	Systematic Risk → IFR	0,731***	2,845	0,000	Accept
Specific Indirect Effects						
H_6		Debt Policy → IFR → Firm value	0,183***	5,151	0,000	Accept
H_7		Systematic Risk → IFR → Firm Value	0,597***	12,721	0,000	Accept
		Adjusted R^2 Firm Value	0,697		0,000	
		Adjusted R^2 IFR	0,604		0,000	

Resource: Primary data, processed (2024).

DISCUSSION

The hypothesis test results presented in Table 6 illustrate that corporate debt policy has a significant negative effect on firm value. Low corporate debt policy increases firm value. The data shows that debt policy proxied by leverage for liquid companies has a low average value. A low amount of debt indicates a better cash flow so that it can increase the value of investor confidence to invest, which can be seen from the relatively high firm value in Tobin. It can be seen in several LQ45 companies that became research samples with low total liabilities such as PT Bank Mandiri and PT Barito Pasifik. LQ 45 companies prefer to issue shares that attract investment rather than increase the number of external liabilities. This result is supported by previous research from Kurniasih et al. (2022), Muthi'ah & Chang (2023), and Majidi et al. (2023). Companies with low debt policies have the opportunity to improve their capital levels. This is a better opportunity to fulfill debt settlement obligations and get signals of investor confidence so that the company's value on the stock exchange increases. Optimal debt policy can reduce liabilities that have an impact on performance productivity and effectively increase value.

The test results show that systematic risk cannot affect firm value. This result is in line with the results of research from Ticoalu et al. (2021) and Ismanto et al. (2023) show that changes in Beta stocks are not able to describe a company's ability to overcome the risks that affect firm value. The results of this test are not in line with the research by Seth and Mahenthiran (2022) and (Das & Kumar, 2023). Companies with the best liquidity such as LQ45 have well-controlled stock beta values so that systematic risk is not directly related to asset performance in Tobin values. Empirical results show that Internet financial reporting has a positive impact on firm value. This result is consistent with research by Nurlatifah (2023), Kartika et al. (2023), and Muthi'ah and Chang (2023) which. examines the impact of IFR on increasing firm value. The element of IFR can be a transparent medium that presents information according to the wishes of stakeholders, especially investors. From this perspective, the disclosure of information regarding the level of digitization of a company can be considered an important signal sent by a company to investors. On the one hand, this signal can influence investors' perceptions of the factors that are the basis for determining the value of a company. IFR elements in the content, technology, timelines, and user support can increase information transparency faster so that it can be more useful in financial reporting (Januriati & Taqwa, 2023) which increases the value of a company. Debt policy has a positive effect on IFR disclosure based on the empirical test results in Table 6 above. This shows that there is a positive signal from the debt policy from the time it occurs, is recognized, calculated, and presented to increase disclosure in the IFR media. This result follows research conducted by Ghanem and Ariff (2016), Maulana & Almilia (2018), and Muthi'ah & Chang (2023). Changes in the level of liabilities in leverage affect the level of IFR disclosure. The value of liabilities is an important content according to the timelines that adjust to the transparency needs of IFR disclosure (Iskandar & Alim, 2024). Similarly, with the results of empirical tests, systematic risk has a positive effect on IFR disclosure. This result is supported by research from Krueger et al., (2020) and Bananuka and Nkundabanyanga (2022). This systematic risk faced by all businesses is related to market fluctuations that affect fluctuations in IFR disclosures. The risks faced by companies affect the transparency of IFR disclosure. The existence of a positive influence indicates that there are investment signals from external parties on systemic risk that can be controlled (Friske et al., 2023). This can be seen from the IFR disclosure that adjusts to the fluctuating beta value on the stock exchange. If the risk faced is low, the IFR disclosure will also be small. Vice versa, the higher the risk faced, the more disclosure in the IFR will show the company's ability to control the risk expected by shareholders (Bananuka & Nkundabanyanga, 2022).

Based on the test results of the indirect effect of debt policy on firm value, IFR can become a mediating variable. In the direct effect test, debt policy has a negative effect on firm value, meaning that the company's debt policy at LQ45 low value can increase firm value well supported by transparent debt policy information content through IFR which is easy for users to use, there is good access technology and according to timelines. This is very helpful for investors in obtaining data whose accuracy can be used in decision-making to increase firm value.

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IFR also mediates the effect of systematic risk on firm value, while the direct effect test shows that systematic risk does not affect firm value. So IFR plays an important role as a full mediator of the effect of systematic risk on firm value. Companies that are in a high liquidity condition, namely LQ45, try to control the risks faced by providing full information through IFR disclosure to investors. IFR can inform a company's ability to overcome risks as evidenced by the sophistication of internet technology. Investors get accurate information about the systematic risks faced because of the guaranteed accessibility of financial information that makes it easy for all stakeholders. This ability can strengthen the company's image and reputation which supports a better increase in firm value. IFR plays an important role in helping investors make investment decisions that consider the systematic risks faced under the value of a company.

The results of this study imply that companies in Indonesia are expected to be able to strive to increase the transparency of financial information by optimizing their websites. Firm value supported by clear, accurate, and comprehensive information about the real conditions can provide positive signals to investors. IFR is an important factor in the digital information era, to be able to provide detailed information about the content that information users need. The high level of detail of the information must contain a summary of indicators that can present the financial statements well so that it can be a signal that investors receive better. The role of IFR strongly supports the delivery of various information regarding company policies, the risks faced and the ease of access to information via the Internet can be controlled by a company. The strength of company information by utilizing technology can provide an overview of monetary and non-monetary conditions, which has an impact on increasing firm value. Unfavorable external information can be counteracted by various transparency of information disclosed in IFR on the company's website.

CONCLUSION

The purpose of this study is to examine LQ45 companies in Indonesia in increasing firm value. Where LQ45 companies also face financial constraints, especially in controlling debt policies and systematic risks faced. The test results can provide insight to all public companies in Indonesia that there is a need for measurable information disclosure, namely with IFR. Policy transparency and corporate risk control can influence the content to be disclosed in the information integrated into the IFR. IFR disclosure can play a role in conveying various information about a company's condition qualitatively and quantitatively if it is formed from elements of content, technology, timelines, and convenience that support users. The results of direct effect testing show that a low debt policy can have a significant effect with a negative direction on increasing firm value. On the indirect effect through IFR as a partial mediator in the relationship between debt policy and firm value, it supports the signaling theory that information about debt policy which is also supported by good IFR disclosure can signal investors to invest to increase firm value. The test results of systematic risk have no direct effect on firm value, making IFR a full mediator. This means that the relationship between systematic risk and firm value occurs because of the role of IFR. The element in IFR plays an important role as a digital information medium that signals investors about controlling systematic risk to increase firm value. In this study, the sample used is all companies listed in LQ45, therefore generalizing the results cannot be for all companies listed on the Indonesia Stock Exchange. Future research is expected to expand the scope of research or by making comparisons between countries. Nevertheless, the results of this study become literature regarding the role of IFR disclosure in companies listed on the Indonesia Stock Exchange.

SUGGESTION

Overall, the findings show that there are government regulatory efforts aimed at increasing the value of companies in the fluctuating capital market. Users of financial report information are eager for better transparency in public companies. Transparency through IFR must be supported by the existence of renewable information technology and provide easy access for all information users, especially investors. Companies must still follow the provisions of IFR, regarding the content of content and timeliness of financial reporting from regulators. Companies must communicate relevant information to investors and stakeholders regarding debt policies and systematic risks faced, to demonstrate commitment and effectiveness in performance. Therefore, regulations on the implementation of public company financial statement information disclosure strategies through IFR must continue to be monitored for their implementation to benefit all stakeholders and the entire community.

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