THE INFLUENCE OF COMPANY CHARACTERISTICS ON MARKET REACTION, WITH QUALITY OF VOLUNTARY DISCLOSURE AS INTERVENINGVARIABLE (MANUFACTURING COMPANIES LISTED ON IDX PERIOD 2012-2016)

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Abstrak

The objectives of this research are to examine the influence of company characteristics includes age of company, size, leverage, profitability, liquidity and growth on market reaction with quality of voluntary disclosure as intervening variable on manufacturing company listed on Indonesia Stock Exchange in 2012-2016. The research sample is the manufacturing company listed on Indonesia Stock Exchange in 2012-2016. The sample are collected using purposive sampling method and resulted 2012 and 2013 is as much as 113 companies, 2014 is 112 companies, 2015 as much as 107 companies and 2016 as much as 41 companies. In summarize the total observation for 5 years are 486. The data type used is secondary data obtained from the annual report of a company that listed on IDX. Then, the method used is path analysis. The research results show that simultaneously age of company, size, leverage, profitability, liquidity and growth have no influence on quality of voluntary disclosure, nevertheless the relation partially show that (1) age has no influence on quality of voluntary disclosure, (2) size has negative influence on earnings persistence, (3) leverage has no influence on quality of voluntary disclosure, (4) profitability has no influence on quality of voluntary disclosure, (5) liquidity has no influence on quality of voluntary disclosure, and (6) growth has no influence on quality of voluntary disclosure. Next results show that quality of voluntary disclosure has influence on market reaction (abnormal return), nevertheless the relation partially show that quality of voluntary disclosure has negative but significant influence on abnormal return. Mediation result shows that age, size and liquidity that mediate by quality of voluntary disclosure on market reaction. Meanwhile, quality of voluntary disclosure is not mediating the influence of leverage, profitability and growth on market reaction (abnormal return).

Keywords: Company characteristics, Market Reaction, Quality of Voluntary Disclosure.

1.   INTRODUCTION

The annual report is an information medium that connects the communication business entities with the parties concerned as well as investors, creditors, and other interested parties to the information. Based on Regulation of Financial Services Authority No. 29/POJK.04/2016 (*Peraturan Otoritas Jasa Keuangan*) the annual report is a report of accountability of directors and board of commissioners in performing the maintenance and supervision of the company or public company within one financial year to the General Meeting of Shareholders which is based on the provisions in the Regulation of Financial Services Authority. It is consists of both mandatory and voluntary disclosure

as stated by the regulation. In the other hand, disclosures aim is to present information that is necessary to achieve the purpose of the reporting of financial and to fulfill the needs of various parties who have different interests. In detailed, disclosure may be required for the purpose of protecting, informative, or special needs (Purwanto and Wikartika, 2014).

Now, phenomena of voluntary disclosure demand is getting higher than before which encourage every company compete each other to serve a good voluntary disclosure in aim to attract the investors in particularly and also to make such a good reputation to other stakeholder. Based on Oziegbe and Unuagbon (2016) phenomena that brought the demand of voluntary disclosure is from the experience of the

occurance case in Enron, Worldcom, Pamalet, Cadbury and other big companies. It has caused the government and regulatory bodies to work towards ensuring the restoration of public confidence in financial reporting, corporate governance as well as in the credibility of financial statements. In fact, based on several articles, mandatory disclosure is necessary but the fact that stakeholder demand more accountability from the company makes the company need to prepare non mandatory disclosure or voluntary disclosure. Companies is considered as socially responsible if they demonstrate social behavior satisfying the expectations of at least half of the value classes identified for each stakeholder (Jamali, 2008). The idea of making this research is basically come from the demand of investor or user on more accountability from a company. It is delivered by a company in form of non financial data information or called voluntary disclosure. Besides, the researcher wants to examine whether company characteristics have influence on the market reaction which will be tested with the quality of voluntary disclosure as intervening variable. From the above explanation can be concluded that voluntary disclosures is very useful to decision making processes from various stakeholders of a company and also help to determine when fraud has been perpetrated. It can help to further clarify issues under the mandatory disclosures and help paint a clearer picture of company's performance.

In this research the company characteristics includes age of company, size, leverage, profitability, liquidity and growth. Several of them categorized as financial ratios which includes leverage, profitability, liquidity, and growth in which will be researched whether it will influence the quality of voluntary disclosure and the market's reaction. Sembiring (2012) have found that age of company has no significant effect to the completeness of voluntary disclosure. Follows by Hidayat (2017) in his research, try to examine the relationship between the characteristics of the company to the level of voluntary disclosure in annual report of banking sector listed in Indonesia Stock Exchange during 2015. Find out that firm size is having such significant influence towards the level of voluntary disclosure. Meanwhile age listing does not influence the level of voluntary disclosure in annual report of company. In other research result from

Nugraheni and AzlanAnuar (2014) show that the quality and quantity of voluntary disclosure is affected by company size.

The financial report will be very useful and would be optimal for the investor if in further they could implement the analysis through financial ratio analysis (Tuasikal, 2007 in Aditya, 2014). In this study the profitability measured by ROA (Return on Assets) is the ratio that measures a company's ability to produce net income under a certain level of assets. In this study, besides the influence of ROA to the quality of voluntary disclosure the research also examine the influence of ROA on abnormal return with quality of voluntary disclosure as intervening variable. In order to support the variable of profitability, the research of Ebrahimabadi & Asadi (2016) find out where profitability has significant effect on quality of information in voluntary disclosure.

Meanwhile, leverage is define by calculating the total debt to total equity which describe how far can company fund their equity through debt (Kasmir, 2013:113). In relation to leverage, Ahmed Haji &Anum (2013) who investigate the quality of voluntary disclosure in ShCCs in Malaysia find leverage has significance level in determining the quality of company voluntary disclosure by ShCCs.

Liquidity is calculate by using CR (Current Ratio) where it is used to measure the ability of a company to pay their short term obligations. However, based on the result research from Sari, CR is not significantly influence the stock price (Kasmir, 2012 in Sari, 2015). As to the liquidity variable, Nova & Oktaviana (2016) found out from their result that liquidity measured by current ratio has no such a significant impact on the voluntary disclosure.

Growth ratio is a ratio that illustrates the company's ability to maintain its economic position in the growth of the economy and its business sector (Kasmir, 2013:114-115). In relation to growth, Munsaidah, Andini and Supriyanto (2016) find a positive influence on growth toward CSR in property and real estate companies that listed on IDX 2010-2014. In different point of view, where they use CSR as the object, Kastutisari and Dewi(2014) examine the influence of CSR on market reaction which measured by abnormal return. They have found that CSR

disclosure does not have significant effect on abnormal return. Lomboan, Sondakh and Pontoh (2016) found that profitability, leverage, growth, size and company social responsibility disclosure simultaneously have significant influence to stock price of listed companies in BEI. Leverage & size are both significant to CSR. While on stock price only growth that does not significantly influence. CSRD does not significantly influence stock price. Profitability and size does not significantly influence stock price through CSRD. Leverage & growth significantly influences stock price through CSRD.

The objectives of this research are as follows:

1. To examine the influence of company characteristics including ages of company, size, leverage, profitability, liquidity, and growth towards Quality of Voluntary Disclosure.
2. To examine the influence of Quality of Voluntary Disclosure on market reaction.

To examine the influence of company characteristics including ages of company, size, leverage, profitability, liquidity, and growth on market reaction with Quality of Voluntary Disclosure as intervening variable.

2. LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

2.1 Signal Theory

According to Fitriana and Prastiwi (2014);Hidayat (2017);Lomboan, Sondakh and Pontoh (2016) signal theory is used to explain why the signal companies have an incentive to provide information to external parties. One type of information released by the company that can be a signal to the outside company, especially on behalf of investors is the annual report. This theory in line with the market reaction as dependent variable in this research. The market reactionis considered as the response of signal from a company to investor.

2.2 Company Characteristics

The characteristic of a company is the special characteristic or the nature that is inherent in a business entity. It can be viewed from several aspects, including the type of business or industry, ownership structure, liquidity, profitability, and also firm size (Safitri, 2008 in Nugroho, 2011). In the context of

financial statements, the determination of characteristics in the company's can be classified into three categories, namely the characteristic associated with the structure, performance and market. Some of the variables often associated with corporate characteristics include firm size, leverage, public ownership, liquidity, profitability, and others (Wallace et al., 1994, Benardi, dkk. 2009 in Wijayanti, 2013). In this research, the variable of company characteristics includes age of company, size, leverage, profitability, liquidity and growth.

H_1: Company characteristics have positive influence on Quality of Voluntary Disclosure

2.2.1 Age

Age of company is the distance of time since company's first issues in Indonesia Stock Exchange (IDX) until the research time (Sembiring, 2012). In point view of investor, company age is used by them as to make the consideration of investment decision making. Age is one of particular part that is considered by the parties that have interest in a company (Sembiring, 2012). The age of the company is estimated to have a positive relationship with the quality of voluntary disclosure by reason that the company that is older has more experience in publishing financial statements and will be know more about needs of constituents, which is information about the company (Marwata, 2001). The research of Haryanto and Aprilia (2009), Marwata (2001) find that age have positive influence on quality of voluntary disclosure.

H_{1a}: Age of company have positive influence on Quality of Voluntary Disclosure

2.2.2 Size

Large firms are likely to make more voluntary disclosure. It is because the cost of collecting, preparing and disseminating detailed annual reports is categorized as lower average costs for the company. Size of the company will be measured using the sets figure is the proxy for firm (Nugraheni and Anuar, 2014). According to Singhvi and Desai (1971) in Scaltrito (2016) argue, the positive relationship between size and voluntary disclosure could be explained by the lower costs for information retrieval incurred by large companies and by the potential

benefits that arise for management. The research of Nugraheni and Anuar (2014), Scaltrito (2016) find that size have positive influence on quality of voluntary disclosure.

H$_{1b}$: Size have positive influence on Quality of Voluntary

2.2.3 Leverage

Leverage is a measurement of the amount of assets that is financed with debt. Debt that is used to finance the assets derived from the creditors and not from shareholders or investors. Hossain, Perera and Rahman (1995) state that debt holders price protecting themselves, shareholders and managers have incentives to offer an increased level of monitoring such as voluntary disclosure of information in the published annual reports. The research of Haji and Anum (2013) view leverage to have an association on voluntary disclosure in Shariah Compliant Company in Malaysia. The reason is because a company that has a positive leverage will make disclosure in order to perform their accountability to the stakeholders. The research of Nugraheni and Anuar (2014), Hossain, Perera and Rahman (1995) find that size have positive influence on of voluntary disclosure.

H$_{1c}$: Leverage have positive influence on Quality of Voluntary Disclosure

2.2.4 Profitability

Tristanti (2012) state that companies that have a high level of profitability will tend to disclose more information voluntarily because they wanted to show the public and stakeholders that the company has a high level of profitability compared with other companies. In this research the ratio that will be used is ROA (Return on Asset) to test whether it will influence market reaction with the indirect influence by quality of voluntary disclosure as intervening variable. According to Ebrahimabadi & Asadi (2016), the reason for selecting return on asset as a variable to measure firm's profitability is that profitability ratio has a direct relationship with firm's strategy and management performance. The research of Ebrahimabadi & Asadi (2016) Murdoko and Sularto (2007) find that profitability have positive influence on of voluntary disclosure

H$_{1d}$: Profitability have positive influence on Quality of Voluntary Disclosure

2.2.5 Liquidity

Liquidity is related with the funds that can be used immediately to repay the debt. There are two ratios that are often used to view at the level of company's liquidity which are current ratio and the quick ratio. This study uses current ratio which describes the company's ability to repay short-term liabilities using current assets (Sembiring, 2012). Companies that have a higher liquidity tend to disclose broader voluntary information to external parties (Nova &Oktaviana, 2016).

H$_{1e}$: Liquidity have positive influence on Quality of Voluntary Disclosure

2.2.6 Growth

Kasmir (2013:107) state that growth ratio is the ratio that able to illustrate the ability of a company in stabilizing their economic condition in the middle of the economic growth and company's sector. This ratio consists of growth on sales, growth on net profit, growth on revenue for each share, and the growth of dividend on each share. If growth ratio indicates a high value then it means a company owns a higher profit. Higher profit will lead companies to make a broader disclosure in order to attract stakeholders (Munsaidah, Andini and Supriyanto, 2016). In the context of CSR, the research of Munsaidah, Andini and Supriyanto (2016) find a positive relation between growth and CSR.

H$_{1f}$: Growth have positive influence on Quality of Voluntary Disclosure

2.3 Quality of voluntary disclosure

Quality appears as an important item in the accounting information. In the practice of business, the company will not only interact to internal parties which including the board of director and the manager of the company but also the external which known as stakeholder. Stakeholder or shareholder will assess the report of the voluntary disclosure through the high and low quality of voluntary disclosure issued by companies. Therefore, the high quality of accounting information is very close association with the level of completeness of the disclosure of financial statements

or disclosure quality (Haryanto and Aprilia, 2009). Based on Hidayat (2017) the calculation to measure the quality of voluntary disclosure in this research is by viewing the completeness of voluntary disclosure in a company which is done through voluntary disclosure index. Voluntary disclosure index is the amounts of information disclose that fulfilled by a company divided to the amount of information disclose that might be fulfill. Based on his research, a company that has a higher index of voluntary disclosure tend to disclosed a broader information compare to a company that have smaller result on voluntary disclosure index. Cheng and Christiawan (2011) find a positive influence of CSR on abnormal return.

H_2: Quality of Voluntary Disclosure have positive influence on market reaction

2.4 Market reaction

Information may be assumed to have utility for the investor if the information can cause a reaction to courage the investor in making transactions in the capital market. The market reaction to the information in the publication is indicated by the change in the stock price. Changes in stock prices, generally expressed by the size of the abnormal return (Barus and Maksum, 2011). Abnormal return will be positive if the return earned is greater than expected return or calculated return. While the abnormal return will be negative if the return earned is smaller than expected return or calculated return (Cheng and Christiawan, 2011). Jogiyanto (2009) defines abnormal return as the difference between actual return and expected return. Based on the research of Kastutisari and Dewi (2014), CSR is expected to give some signal move to investor. Companies that perform CSR also expect a positive response from the market players or investor. In their research, it stated that information can be said useful or having a great value to investor if it gives the courage or reaction to them in doing transaction in stock market. This is can be seen from abnormal return which is one of the indicators that can be used to view the condition of market.

H_3: Company Characteristics have positive influence on market reaction through quality of voluntary disclosure

3. RESEARCH METHODOLOGY
3.1. Research Design

The research objective is to examine the influence of company characteristics (exogenous variable) on market reaction (endogenous variable) with quality of voluntary disclosure as intervening variable by using hypothesis testing. Based on it, the type of research design use in this research is causal. Causal useful to measure the relationships between the variables or useful for analyzing how a variable affects other variables (Umar, 2008:48).

3.2 Research population and Sample

The population in this study are manufacturing companies listed on IDX in 2012-2016 includes the basic and industry and chemical, various sectors of industry and consumer goods industry sector which can be found at Indonesian Stock Exchange official website. In order to guarantee the representation of the variables to be tested, then the sample are selected by the method of purposive sampling. The technique use is judgment sampling by choosing the sample with certain criteria based on the need of the research. The criteria set by researcher are as follows:

1) The manufacturing company that listed on IDX and publish the annual report for each year since 2012-2016
2) The manufacturing company on IDX period 2012-2016 that have all of the information that is needed in this research

Based on the criteria that have been described, the sample for manufacturing companies used in this research is available in

Sample Criteria

No	Criteria	Sample
1	The manufacturing company listed on IDX that have annual report on 2012	113
2	The manufacturing company listed on IDX that have annual report on 2013	113
3	The manufacturing company listed on IDX that have annual report on 2014	112
4	The manufacturing company listed on IDX that have annual report on 2015	107
5	The manufacturing company listed on IDX that have annual report on 2015	41
The total Observation for 5 years		486

Source: Data Processed (2017)

3.3 Source of Data and Data Collection Method

The source of data used in this research is secondary data. This research use the secondary data from the published annual report of manufacturing companies listed in Indonesian Stock Exchange period 2012-2016. This research is using documentation as its collection method which is from the company's annual report. The data about index of the completeness on voluntary disclosure is taken from the company's annual report from the period of 2012-2016. Then, data about age of company, size, leverage, profitability, liquidity, and growth is taken from the financial report of manufacturing company listed on IDX on the period of 2012-2016. The data for market reaction is from financial report of the company and yahoo finance.

3.4 Variable Opertionalization

3.4.1 Dependent variable (Z)

a. Determining actual return or realized return that is the real return that happen (Jogiyanto, 2009:200), calculate with using the equation:

$$Ri.t = (Pi,t-Pi,t-1)/ Pi,t-1$$

Ri,t = Return stock annually (*Return saham tahunan*)
Pt   = The stock closing price in year of t (*Harga penutupan saham pada tahun ke t*)
Pt-1= The stock closing price in year of t -1 (*Harga penutupan saham pada tahun ke t-1*)

b. Determining expected return which is the return that is expect by the investor while doing the investment. The equation is as follows:

$$E[Ri,t] = IHSGt – IHSG\ t\text{-}1\ /\ IHSG\ t\text{-}1$$

E[Ri,t]   = Annual Expected Return on the event period of t (Expected *return tahunan pada periode peristiwa ke-t*)
IHSGt   = The Index of composite stock price on the event period of t (*Indeks harga saham gabungan pada periode peristiwa ke t*)
IHSG t-1 = The Index of composite stock price on the event period of t-1 (*Indeks harga saham gabungan pada periode peristiwake t-1*)

c. Determining Abnormal Return

$$ARi,t = R\ i,t - RM,t$$

ARi,t   = Abnormal return of stock of i on t period (*Abnormal return suatu saham I pada periode ke-t*)
Ri,t   = Stock Actual Return i on t period (*Aktual return saham I pada periode ke-t*)
RM,t   = Average of return in the market a few period before (*Rata-rata return di pasar beberapa periode sebelumnya (expected return)*)

3.4.2 Independent Variable (X)

3.4.2.1 Age

Age of the company used as a tool for consideration by investors to see whether a company is able to continue survive and be able to compete in getting business opportunities in the economy (Sembiring, 2012).

$$Age = Researched\ Year – The\ Year\ of\ Company's\ First\ Issue\ in\ IDX$$

3.4.2.2 Size

The value of assets relatively more stable than the market capitalization and sales value in measuring the size of the company (Murdoko and Sularto, 2007). Firm size can be measured by total assets figure as follows (Nugraheni & Anuar, 2014)

$$Size = Ln\ (Total\ assets)$$

3.4.2.3 Leverage

Leverage is a measurement of the amount of assets that is financed with debt. Debt that is used to finance the assets derived from the creditors and not from shareholders or investors. Hossain, Perera and Rahman (1995) state that debt holders price protecting themselves, shareholders and managers have incentives to offer an increased level of monitoring such as voluntary disclosure of information in the published annual reports

$$Debt\ to\ Equity\ Ratio\ (DER) =\ Total\ Debt\ /\ Total\ Equity$$

3.4.2.4 Profitability

Kartika (2009) conclude that this variable aims to measure the efficiency of the company's activities and ability to understand the company for a profit. Nurmalasari (2012) show that this ratio indicates the ability of the company with all their capital in their company to generate profit, using existing data on the balance sheet and statement of income of the company. According to Ebrahimabadi&Asadi (2016), the profitability of company is measured using ROA (Return on Assets) where the formula or calculation is:

ROA= Net Operating Income / Total Assets

3.4.2.5 Liquidity

The company can be measured through its liquidity. Liquidity is related with the availability of fund so that company can afford the payment of debt. Financially strong companies who can control their financial matter will be more revealing than the company with weak information. But otherwise, if liquidity is seen as a measure of performance, the company that has low liquidity ratios need to provide more detailed information in an attempt to explain the poor performance of management. Nova & Oktaviana (2016) state that the level of liquidity refers to the company's ability to meet short-term liabilities that illustrates the soundness of a company.

Current Ratio = Current Asset /Current Liabilities

3.4.2.6 Growth

Growth ratio is a ratio that illustrates the company's ability to maintain its economic position in the growth of the economy and its business sector. In the growth rate the ratio that analyzed are growth in sales, net income, earnings per share and dividend per share (Kasmir, 2013:114-115). A company with high value of growth considered having a higher profit so those companies tend to make social responsibility disclosure to attract stakeholders (Sari, 2012). The equation in below are used based on Munsaidah, Andini and Supriyanto (2016) who also have the same statement as Sari (2012):

$$\text{Growth} = \text{Net Sales}_t - \text{Net Sales}_{t-1} / \text{Net Sales}_{t-1}$$

Net Sales $_t$ = Net Sales on the period
Net Sales $_{t-1}$ = Net sales on previous period

3.4.3 Intervening Variable (Y)

Based on Hidayat (2017) the procedure of voluntary disclosure index is calculated for each item in each company was conducted by the following steps:

1. Give a score to each item of voluntary disclosure in dichotomy, for the disclosed item then it will be given 1 and if not 0.
2. The score that resulted in each company then accumulated to getting the total score over the voluntary disclosure.
3. *Indeks Pengungkapan Sukarela (IPS)* or voluntary disclosure index gains by dividing total score of every company with the maximum score of item that use in this research.

$$\frac{\text{Score over the voluntary disclosure}}{\text{The maximum score of item that use in this research.}}$$
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4. RESEARCH RESULTS AND DISCUSSION
4.1 Research Results
4.1.1 Hypothesis Testing Result of Substructure I

F-Test Results
ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.033	6	.006	1.374	.223[b]
	Residual	1.935	479	.004		
	Total	1.969	485			

a. Dependent Variable: quality of VD(y)
b. Predictors: (Constant), age (x1), size (x2), leverage(x3), profitability (x4), liquidity (x5), growth(x6)
Source: Output SPSS 18 (2017)

From the result in above Table (F-Test Results), it can conclude that simultaneously, age (x_1), size (x_2), leverage (x_3), profitability (x_4), liquidity (x_5), and growth (x_6) have no influence on quality of company's voluntary disclosure (y).

t-Test Results
Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.831	.059		14.190	.000
Age	-.008	.006	-.061	-1.340	.181
Size	-.015	.006	-.105	-2.308	.021
1 Leverage	4.408E-005	.001	.003	.074	.941
Profitability	.007	.017	.020	.433	.665
Liquidity	-4.633E-007	.000	-.017	-.382	.703
Growth	5.849E-005	.000	.040	.875	.382

a. Dependent Variable: Quality of Voluntary Disclosure
Source: Output SPSS 18 (2017)

From the results of t-test in above table, it can be described as follows:

1) The variable of Age (X_1) has a value of t = -1.340 with the significance level of .181. The significance is greater result than the significance level of 5%. Therefore, age has no influence on quality of voluntary disclosure. Thus, the H1a is rejected.

2) The variable of Size (X_2) has a value of t = -2.308 with the significance level of .021. The significance value is lower than the significance level of 5%. Therefore, size has negatively influenced on the quality of voluntary disclosure. Thus, the H1b is accepted.

3) The variable of Profitability (X_3) has a value of t = 0.433 with the significance level of .665. The significance value is greater than the significance level of 5%. Therefore, profitability has no influence on quality of voluntary disclosure. Thus, the H1c is rejected.

4) The variable of Leverage (X_4) has a value of t =0.074 with the significance level of .941. The significance value is greater result than the significance level of 5%. Therefore, leverage does not have any influence on quality of voluntary disclosure. Thus, the H1d is rejected.

5) The variable of Liquidity (X_5) has a value of t = -0.382 with the significance level of .703. The significance value is greater than the significance

level of 0.05 (5%). As the result, liquidity has no influence on quality of voluntary disclosure. Thus, the H1e is rejected.

6) The variable of Growth (X_6) has a value of t = 0.875 with the significance level of .382. The significance value is greater than the significance level of 0.05 (5%). Therefore, growth has no influence on quality of voluntary disclosure. Thus, the H1f is rejected.

In summarize the inspection of partial test generally indicates that all of the company in this research disclose 83.1% voluntarily. The decision to make voluntary disclose in a good quality has not been influenced significantly by age, profitability, leverage, liquidity and growth. Meanwhile size has negative influence and significant on the quality of voluntary disclosure.

4.1.2 Hypothesis Testing Results of Substructure II
F-Test Results
ANOVA[b]

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	.233	1	.233	8.160	.004[a]
Residual	13.837	484	.029		
Total	14.071	485			

a. Predictors: (Constant), Quality of Voluntary Disclosure
b. Dependent Variable: Abnormal Return

From the result, it is shown that the F-sig is 0.004 and it is less than 0.05. Then, it can be concluded that

simultaneously, quality of voluntary disclosure (y) has influence on abnormal return.

t-Test Results
Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
1 (Constant)	1.988	.098		20.294	.000
Quality of Voluntary Disclosure	-.344	.121	-.129	-2.857	.004

a. Dependent Variable: Abnormal Return
Source: Output SPSS 18 (2017)

From the results of t-test of substructure II, it can be concluded that quality of voluntary disclosure has

.004 significant value that lower than 0.05 (5%) of significant level. Means that quality of voluntary disclosure has negative but significant influence on abnormal return.

4.1.3. Mediation Hypothesis testing

Analysis on direct effect, indirect effect and total effect are used to see the power of influence between constructs, either directly, indirectly, or the total effect. Direct effect is the coefficient of all lines with one end dart. While the indirect effect is the effect that arises through intervening variable. Intervening variable in this research is quality of voluntary disclosure (Y). The total effect is the influence of the various relationships. The direct, indirect and total effects are presented as follows:

Parameter Estimation values

	Direct Effect	Indirect Effect	Total Effect	P-value	Explanation
X1→Y	-.061	0	-.061	.177	Not significant
X2→Y	-.105	0	-.105	.020	significant
X3→Y	.003	0	.003	.941	Not significant
X4→Y	.020	0	.020	.663	Not significant
X5→Y	-.017	0	-.017	.701	Not significant
X6→Y	.040	0	.040	.379	Not significant
Y →Z	-.129	0	-.129	.004	significant
X1→Z	0	.008	.008	-	indirect
X2→Z	0	.013	.013	-	indirect
X3→Z	0	.000	.000	-	-
X1→Z	0	.008	.008	-	indirect
X2→Z	0	.013	.013	-	indirect
X3→Z	0	.000	.000	-	-

Source: Output AMOS 18 (2017)

Age (X1) has no influence on quality of voluntary disclosure as its significant value is 0.177 > 0.05. It also can be seen from its direct effect value -0.061(-6.1%) prove that age has no influence on quality of voluntary disclosure then H1a is rejected. Age (x1) has .008 indirect effects on abnormal return which is greater than the value of direct effect. It can be conclude that age of company has influence the abnormal return with indirect effect

While, size (X2) has negative but significant on quality of voluntary disclosure with 0.020 p-value which is lower than significant value of 5% (0.05).

The value of its direct effect is -0.105 means the direct influence of size on quality of voluntary disclosure is as much as 10.5%. Size (x2) has .013 of indirect effect value that is greater than its direct effect. It means that size of company have indirect effect on abnormal return.

Leverage (X_3) has 0.941 of p- value which is greater than significant value of 5% (0.05). Means leverage has no influence on quality of voluntary disclosure. It has 0.003 (0.3%) of direct effect. Leverage (X_3) has 0.000 indirect effect value which is similar to direct effect result means that there is no

indirect effect on the influence of leverage on abnormal return.

Profitability (X4) has 0.663 p-value which greater than 5% (0.05) of significant level. It is found that it has 0.020 (2.00%) of direct effect values. It means profitability has no influence on quality of voluntary disclosure. Profitability (x4) has -.003 value of indirect effect which is lower than direct effect result which concludes that there is no indirect effect in the influence of profitability on abnormal return.

Liquidity (X5) has 0.701 p- value > 0.05 (5%) significant value which means profitability has no influence on quality of voluntary disclosure. It is followed by the result of direct effect value as much as -0.017 (1.70%). Liquidity (x5) has .002 indirect effect value that is greater than direct effect. It can be assumed that liquidity has influence abnormal return more on the indirect effect

Growth (X6) has 0.379 p-value that is greater than significant of 5% and it is followed by 0.040 (4%) of direct effect. It is proved that growth has no influence on quality of voluntary disclosure. Growth (x6) has -.005 which is lower than its direct effect means that growth is influence the abnormal return in direct effect.

Quality of voluntary disclosure has 0.004 p-value which is lower than the significant of 5% (0.05) and it is followed by -0.129 (12.9%) of direct effect. It means that quality of voluntary disclosure has negative but significant influence on abnormal return.
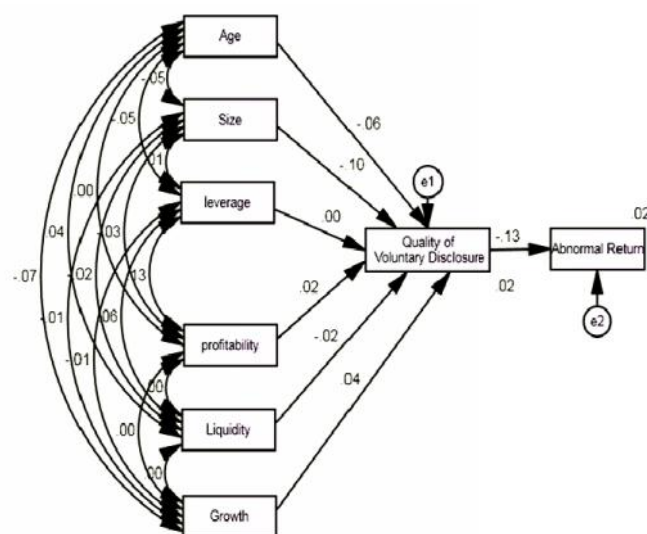
Discussion of Substructure I

4.3.1 The influence of Company Characteristics on quality of voluntary disclosure

4.3.1.1 The influence of age of company on quality of voluntary disclosure

It has a value of t -1.340 with the significance level of .181. The significance value shows the greater result than the significance level of 5%. Therefore, age has no influence on quality of voluntary disclosure. Thus, the H1a is rejected. The result is similar with Sembiring (2012) research which find out age of company has no significant effect to the completeness of voluntary disclosure. Therefore H_o is accepted and H_a of H1ais rejected. In conclusion, size has negatively influence the quality of voluntary disclosure.

4.3.1.2 The influence of size on quality of voluntary disclosure

The variable of Size (X_2) has a value of t -2.308 with the significance level of .021. It shows the lower result than the significance level of 5%. The result is accordance with Nugraheni and Anuar (2014) who found company size has a significant influence on quantity and quality of voluntary disclosure. Singhvi and Desai (1971) in Scaltrito (2016) argue, the positive relationship between size and voluntary disclosure could be explained by the lower costs for information retrieval incurred by large companies and by the potential benefits that arise for management. Therefore H_o is rejected makes H_a is accepted for H1b. In conclusion, size has negatively influence the quality of voluntary disclosure.

4.3.1.3 The influence of leverage on quality of voluntary disclosure

The variable of Leverage (X_4) has a value of t .074 with the significance level of .941. The significance value shows the greater result than the significance level of 5%. Therefore, leverage does not have any influence on quality of voluntary disclosure. Meanwhile, the result of this research is in contrast with Ahmed Haji and Hanum (2013) that find out leverage has a significant influence in determining the quality of voluntary disclosure. From several researches result mention that firms with high level of liabilities tend to provide additional information. This activity is based in order to reassure creditors that

shareholders and management are likely to meet their needs (Scaltrito, 2016; Eng and Mak, 2003;Hossain, Perera and Rahman, 1995). Thus, H_o is accepted and H_a of H1d is rejected.

4.3.1.4 The influence of profitability on quality of voluntary disclosure

The variable of Profitability (X_3) has a value of t .433 with the significance level of .665. It shows the greater result than the significance level of 5%. The research of Murdoko and Sularto (2007) in line with the result of this research which shows that profitability have no significance influence to the extent of voluntary disclosure. Meanwhile, Ebrahimabadi and Asadi (2016) find that this ratio has a significant impact on the quality of information voluntary disclosure. Thus, H_o is accepted and H_a of H1c is rejected. It can be concluded that profitability has no influence on quality of voluntary disclosure

4.3.1.5 The influence of Liquidity on Quality of Voluntary Disclosure

The variable of Liquidity (X5) has a value of t -.382 with the significance level of .703. The significance value shows the greater result than the significance level of 0.05 (5%). As the result, liquidity has no influence on quality of voluntary disclosure. According to Nova and Oktaviana (2015), their research using Syariah banking in Indonesia as the sample which finds out that liquidity have negative influence to the extent of voluntary disclosure.

In line, the result of this research has shown a similar result where liquidity has no significance influence on quality of voluntary disclosure. It means the higher the level of liquidity in a company then the lower the extent of voluntary disclosure. Thus, Ho is accepted and Ha of H1e is rejected.

4.3.1.6 The influence of growth on Quality of Voluntary Disclosure

The variable of Growth (X_6) has a value of t .875 with the significance level of .382. The significance value shows the greater result than the significance level of 0.05 (5%). Therefore, growth has no influence on quality of voluntary disclosure. Sari (2012) finds that the high and low of growth in a company has no influence on CSRD. Not all investor realize the

importance of CSR so as investor is not notice the social performance of a company. The quality of CSRD is not easy to measure; generally companies do CSRD just as the form of advertisement and in avoid giving such relevance information. Most of investor refers on short term performance through profit, while CSR considered having influence on short and long term performances (Sari, 2012).

In contrast with the result, Munsaidah, Andini and Supriyanto (2016) growth of company has positive influence on CSR at the property and Real Estate Company that listed on IDX 2010-2014. Thus, Ho is accepted and Ha of H1f is rejected.

4.4 Discussion of Substructure II
4.4.1. The influence of quality of voluntary disclosure on Market Reaction

Quality of voluntary disclosure has t = -2.785 with .004 of significance value and it is lower than the 5% of significance level. Therefore, quality of voluntary disclosure has negative influence on abnormal return. Then, H2 is accepted. Cheng and Christiawan (2011) find a significance influence of CSR annual disclosure on abnormal return. In contrast Kastutisari and Dewi (2014);Sayekti and Wondabio (2007) reveal that there is no influence of CSRD on abnormal return. However, the result of this research does prove the signalling theory where an information used by a company to give a positive or negative signal.

4.4.2. The Company influence of Characteristics on market reaction through quality of voluntary disclosure as intervening variable

Age (x1) has .008 indirect effects on abnormal return which is greater than the value of direct effect. Based on the results, quality of voluntary disclosure as intervening variable enhances the influence of age on abnormal return as much as 0.8%. It can be conclude that age of company has influence the abnormal return with indirect effect. Means quality of voluntary disclosure mediate the influence of age on abnormal return. Size (x2) has .013 of indirect effect value that is greater than its direct effect. It means that size of company have indirect effect on abnormal return. The quality of voluntary disclosure increases the influence of size on abnormal return as much as 1.30%.

Leverage (x3) has 0.000 indirect effect values which is similar to direct effect result means that there is no indirect effect on the influence of leverage on abnormal return.

Profitability (x4) has -.003 value of indirect effect which is lower than its direct effect result which means that there is no indirect effect in the influence of profitability on abnormal return. Liquidity (x5) has .002 indirect effect values that is greater than direct effect. It can be assumed that liquidity has influence on abnormal return more on the indirect effect. In other word, quality of voluntary disclosure mediates the influence of liquidity on abnormal return. Finally, growth (x6) has -.005 of indirect effect which is lower than its direct effect means growth is influence the abnormal return in direct effect.

In summarize, quality of voluntary disclosure mediate the influence of age, size, and liquidity on market reaction (abnormal return). These are proved by the results of AMOS 18 that is presented in Table 4.15. It shows the results of indirect effect value that are greater from its direct effect for each of age, size and liquidity variable(s). Age, size and liquidity influence on abnormal return indirectly through quality of voluntary disclosure. A good quality of voluntary disclosure in this research is defined through the level of completeness. The high or low level of completeness on a company will affect the influence of age, size and liquidity on abnormal return. As the quality of voluntary disclosure is negatively influence the abnormal return it turns out that the more a company enhance their quality of voluntary disclosure makes the negative market reaction. It tells that the market will prefer to sell their stock rather than buy stock because of the company disclose their voluntary information. This result is in contrast with previous research of Lomboan, Sondakh and Pontoh (2016) where profitability and size does not significantly influence stock price through CSRD. Meanwhile, leverage & growth significantly influences stock price through CSRD.

5. CONCLUSIONS, LIMITATIONS AND SUGGESTIONS

5.1. Conclusion

Based on the discussion in the previous chapters, this research was aimed to conclude the influence of age of company, size, leverage, profitability, liquidity and growth on market reaction with quality of voluntary disclosure as intervening variable. The conclusions are as follow:

1. Age has no influence on quality of voluntary disclosure
2. Size has negatively influenced the quality of voluntary disclosure
3. Leverage has no influence on quality of voluntary disclosure
4. Profitability has no influence on quality of voluntary disclosure
5. Liquidity has no influence on quality of voluntary disclosure
6. Growth has no influence on quality of voluntary disclosure
7. Quality of voluntary disclosure has negative influence on abnormal return.
8. Quality of voluntary disclosure is mediating the influence of age, size and liquidity on abnormal return.
9. Quality of voluntary disclosure is not mediating the influence of leverage, profitability and growth on abnormal return.

5.2 Limitations

This study certainly has limitations. The limitations in this research, such as the researcher only use variables that have been researched by other researcher.

5.3 Suggestions

Based on the results of the analysis and some conclusions, the researchers provide suggestions that can be used as references as follows:

1. For the company, it is necessary to pay attention to age, size, leverage, profitability, liquiidity and growth and quaity of voluntary disclosure as indicators that can simultaneously affect abnormal returns as market reactions on firms listed on IDX. Companies should also be more concerned about voluntary disclosure as one of

the company's obligations to be implemented to stakeholders. According to the results of research, quality of voluntary disclosure has an effect on the abnormal return. Investors have assessed the ability of companies through the quality of voluntary disclosure.

2. For investor, they are expected to encourage company to improve their quality of corporate voluntary disclosure.

3. This research uses path analysis method and it is expected that the next researcher can do research with newer method that can produce widerresult of research and its specification.

4. Increase the number of populations or samples in order to describe the real situation in manufacturing industries. The author also suggests that further research not only examine the influence of company characteristics in Indonesia, but can make it broaden to ASEAN Countries.

5. Further research is suggested to use a longer period of time.

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