

CHAPTER V

CONCLUSION

5.1 Conclusion

This research is aimed to find whether or not there is the correlation between Integrated Reporting Quality (IRQ) and Cost of Equity (COE). The IRQ was measured through content analysis of LQ45 index listed companies annual report year 2022. The measurement being used are arranged based on Integrated reporting Framework (IRF) by International Integrated Reporting Committee (IIRC). It is also means that the higher the number of IRQ, reflect the higher compliance with IRF. From the research conducted, can be conclude few things as stated below.

1. Integrated Reporting Quality (IRQ) can influence the value of Cost of Equity (COE) as much as 65,9% negatively. Means that the higher the quality implementation of integrated reporting (in term of annual report compliance with Integrated Reporting Framework), the lower the Cost of Equity.
2. The highest IRQ score achieved by Indika Energy Tbk., while the lowest score by Sentul City Tbk.

5.2 Limitations

The limitation of this research however, mainly source from the nature of the method being used on top of other sourced of limitation as stated below :

1. The nature of content analysis is prone to error and subjectivity
2. The data use to measure Cost of Equity (COE) mainly source from forecast data, thus more or less reduce the accuracy or different from future real data.
3. The object of research limited to LQ45 index listed companies amounted 45 companies using annual data year 2022.
4. Fewer research with similar themes, especially towards Indonesia's company being the object.
5. Research conducted on general industry, instead of specific industry.

5.3 Suggestions

Related to the limitation above, the suggestion being proposed by researcher are as follows:

1. Further research expected to have variation when it comes to data collection technique, thus adding the variation and comparability of result as well as suppressing the disadvantages coming from each technique.
2. Further research expected to having broader research object and time horizon variation, including not only annual data being used.
3. As only fewer research exist particularly having Indonesia as the study object, hopefully there will be more research conducted with companies in Indonesia being the object.
4. Future research expected to conduct industry specific analysis to observe different effects of Integrated Reporting Quality towards Cost of Equity in different industry.

