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The Effect of Corporate Governance and Whistleblowing System on The Tendency of Financial Statement Fraud

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Abstract: *The purpose of this study is to know the effects of the management of corporate companies that are being proxied using variables of the council of independent commissioners, auditing committees, institutional ownership structures, managerial ownership structures, audit committee meetings, and the whistleblower system of cheating tendencies of the financial sector. The quantitative study uses secondary data from the 61st annual report of the financial sector companies registered in BEI from 2016-2018. Research data was analyzed using regression logistics analysis methods with the IBM SPSS statistic 26. Based on the results of hypothesis testing variables of the council of independent commissioners, institutional ownership structures, managerial ownership structures, and whistleblowing systems influence negative tendencies toward creating financial reports. In comparison, the audit committee's variables and the audit committee's meeting frequency do not affect the propensity to financial statement fraud.*

Keywords: *Corporate governance; Fraudulent financial reports; Whistleblowing system.*

1. Introduction

The financial sector has a crucial role in driving economic growth, where financial statements serve as the primary means of communication between companies and stakeholders to evaluate the company's performance and financial condition. However, financial statement fraud still occurs frequently, as reported by the Association of Certified Fraud Examiners (ACFE) Indonesia (ACFE, 2019). The most dominant fraud in Indonesia includes corruption (64.4%), misuse of state assets/assets (28.9%), and manipulation of financial statements (6.7%). The main perpetrators of the act of fraud consist of employees (31.8%), directors (29.4%), managers (23.7%), and other parties (15%). In 2022, the Fraud Examiners (ACFE) also showed that the banking and financial services sector had the highest number of fraud cases, with 351 cases and losses of $100,000. The research revealed as many as 126 fraud cases involving 69 banking offices throughout Indonesia (Maharani & Sudarma, 2023). Cases of fraud These include various modes, including credit-related fraud, such as credit installments not deposited by the bank and offers to borrow money without going through official banking procedures.

Indonesia also noted that government agencies and State-Owned Enterprises (SOEs) were victims of fraud with a significant percentage. This can be seen from the number of cases of fraud involving SOEs, as happened at PT Jiwasraya and PT Asabri. The manipulation of financial statements found in PT Asabri (Persero) caused a decrease in the value of the company's portfolio by up to 90%. PT Asabri manages pension and insurance funds for members of the TNI, Polri, and civil servants, which is a susceptible public fund (Sari & Nugroho, 2020). Therefore, this study samples the financial sector, including banking, insurance, capital markets, and other financial institutions. The financial industry plays a crucial role in the economy, so when a major case like PT Asabri involving investment funds on a very large scale occurs, the financial sector becomes the focus of attention.

Various factors, both from the external and internal environment of the company, can trigger fraud in financial statements. Factors such as pressure, the opportunity to cheat, and weaknesses in corporate governance can increase the risk of manipulation (Tridig & Setiawan, 2022). Good corporate governance plays an important role in preventing fraud by ensuring effective oversight and strong internal controls. Application whistleblowing system it is also considered a strategic step to encourage fraud reporting and create a more transparent work environment (Siregar & Surbakti, 2020; Widyawati et al., 2019). The result The research mentions that the implementation of the whistleblowing system in PT Bank Rakyat Indonesia and PT Bank Tabungan Negara has been effective in detecting and preventing the occurrence of fraud but less effective in PT Bank Negara Indonesia and PT Bank Mandiri (Maharani & Sudarma, 2023).

This research explores the influence of corporate governance and the whistleblowing system against the tendency of financial statement fraud in the financial sector listed on the Indonesia Stock Exchange (IDX). This study will use variables such as independent board of commissioners, audit committees, managerial and institutional ownership, as well as the frequency of audit committee meetings to assess the effectiveness of fraud prevention. The higher the number of independent commissioners in a company, the less likely it is to be fraudulent in financial reporting (Afiah & Aulia, 2020; Indarto & Ghozali, 2016; Sari & Husadha, 2020). The number of independent commissioners positively affects the company's financial performance (Handoko et al., 2019; Tirtasari & Hartomo, 2019). The audit committee's role is also significant in reducing financial statement fraud (Dragomir & Dumitru, 2023; Murtanto & Sandra, 2019; Supriatiningsih et al., 2024). Institutional ownership helps strengthen oversight of company operations to reduce the potential for fraud (Ghandur et al., 2021; Ghozali & Achmad, 2019; Guritno et al., 2020; Riandani & Rahmawati, 2019). The study is based on the high number of fraud cases in Indonesia's financial sector, which include manipulation of financial statements and credit fraud, as well as weaknesses in internal supervision and control. The financial industry plays an important economic role, so transparency and building public trust are needed. It is hoped that the results of this study can provide practical guidance for companies in strengthening supervision mechanisms and reducing the risk of fraud.

2. Literature Review & Hypotheses Development

2.1. Financial Statement Fraud

Action fraud is when a person or organization does everything possible to gain profits for their interests (Tuanakotta, 2013). ACFE Indonesia defines fraud as an action that can be taken by internal and external parties of the organization to achieve personal or group interests (ACFE, 2019). Theory Hexagon of Fraud using Pressure (Stimulus) factors, Capability, Collusion, Opportunity, Rationalization, and Ego (Arrogance), which affects the occurrence of fraud, known as the S.C.C.O.R.E Model (Vousinas, 2019). In Indonesia, the most significant type of fraud in terms of losses is corruption, followed by misuse of assets and fraud in financial statements. Other research shows financial stress affects financial reporting fraud (Indriaty & Thomas, 2023). Meanwhile, the pressure from the aspect of implementing accounting standards and receiving stimulus has not been strong enough to encourage the occurrence of fraud.

2.2. Corporate Governance

Corporate governance is a set of rules that govern the relationship between shareholders, management, creditors, government, employees, and other stakeholders related to the company's control system (Forum for Corporate Governance in Indonesia, 2001). One of the critical theories in corporate governance is agency theory. This theory emphasizes the importance of good governance in minimizing agency costs through effective oversight mechanisms, such as an independent board of directors (Budiarto & Nugraha, 2024). Firm governance can moderate and weaken the potential for fraud, especially in financial reporting, thus helping to prevent accounting manipulation. Companies must implement policies supporting good governance, such as whistleblowing, to ensure transparency and accountability (Shonhadji & Maulidi, 2021). Effective corporate governance can prevent fraud (Kardhianti & Srimindarti, 2022; Rostami & Rezaei, 2022). Some of the important components of governance in this study include the independent board of commissioners, the audit committee, managerial and institutional ownership, and the frequency of audit committee meetings.

2.3. Independent Board of Commissioners

The Board of Commissioners, as an organ of the company, has duties and responsibilities collectively to supervise and advise the board of directors and ensure that the company conducts GCG (National Committee for Governance Policy (KNKG), 2006). According to Law No. 40 of 2007 on Limited Liability Companies, independent commissioners have an essential role in terms of company information disclosure because they are tasked in general and specifically to supervise the board of directors and as a mediator so that there is no conflict of interest with the interests of shareholders.

Previous research has stated that independent commissioners are essential in reducing the potential for financial statement fraud. Independent commissioners can weaken or reduce the impact of specific factors that encourage accounting fraud (Pamungkas et al., 2018). The higher the number of independent commissioners in a company, the less likely it is to be fraudulent in financial reporting (Afiah & Aulia, 2020; Sari & Husadha, 2020). Independent commissioners can minimize the possibility of fraudulent financial statements (Indarto & Ghozali, 2016). The independent board of commissioners positively affects the company's financial performance (Wahyuni & Mayliza, 2023). The more independent the board of commissioners, the higher the level of transparency in reporting company information

(Tirtasari & Hartomo, 2019). The ratio of the independent board of commissioners plays a vital role in detecting fraud in financial statements (Dechow et al., 1996; Dunn, 2004; Handoko et al., 2020). The results of another study stated that The dominance of internal directors on the board of commissioners can weaken corporate governance (Lim et al., 2007). Based on this description, the first hypothesis proposed is:

H_1: The independent board of commissioners has a negative effect on financial statement fraud.

2.4. Audit Committee

The audit committee supports the board of commissioners in monitoring and minimizing the risk of fraud in the company (National Committee for Governance Policy, 2006). The Establishment and Guidelines for the Implementing the Audit Committee are regulated in OJK Regulation No. 55/POJK.04/2015. A more qualified committee can better carry out supervisory functions, ensure that internal controls are running well, and improve the transparency of financial statements. The quality of the audit committee, measured by the expertise of its members, has a positive impact on the quality of IRQ's integrated report (Integrated Reporting Quality) (Dragomir & Dumitru, 2023). The audit committee can undermine management's rationalization of financial statement fraud by acting as an independent watchdog that ensures transparency and integrity (Supriatiningsih et al., 2024). Other research also mentions the same thing, namely that the audit committee has an important role in supervising management so that they do not take actions that only benefit themselves that the presence of the audit committee in the company can reduce the risk of fraud in the preparation of financial statements (Murtanto & Sandra, 2019). Other research states that audit committees and managerial ownership do not significantly affect financial statement fraud (Angelina & Chariri, 2022; Murtanto & Sandra, 2019; Xu & Jiang, 2011). Based on previous research, the second hypothesis proposed is:

H_2: The audit committee has a negative effect on financial statement fraud.

2.5. Institutional Ownership Structure (SKI)

Agency theory explains that institutional ownership is one of the mechanisms to reduce agency conflicts between managers and shareholders. Institutional ownership helps to strengthen oversight of the company's operations, which in turn can reduce the potential for fraud (Riandani & Rahmawati, 2019). Institutional ownership moderates the relationship between factors that encourage accounting fraud (Pamungkas et al., 2018). Institutional ownership negatively influences fraud in financial statements (Ghandur et al., 2021; Guritno et al., 2020). The existence of institutional investors in the company can reduce agency problems and minimize fraud in financial statements (Yendrawati et al., 2023). The results of another study stated that institutional ownership could worsen the quality of financial reporting due to the limited supervision of managers' behavior, which manipulates profits through profit management. Based on previous research, the third hypothesis proposed is:

H_3: Institutional ownership has a negative effect on financial statement fraud.

2.6. Managerial Ownership Structure

Managerial ownership, namely the shareholders and owners in the company from the management in aligning their interests and increasing managerial ownership in the company, will encourage maximum company performance. This ownership is proxied from the percentage of the number of shares the management owns. Management will be more active in improving its performance if the managerial ownership of the company increases (Wirawardhana & Sitardja, 2019). Managerial ownership has a negative effect on financial statement fraud (Guritno et al., 2020; Kardhianti & Srimindarti, 2022; Kurniawan et al., 2020; Priswita & Taqwa, 2019). Managerial ownership in a company will reduce the actions of managers who commit financial statement fraud to align the interests of managers and shareholders (Ibrahim et al., 2022; Noviarti & Yosi Stefhani, 2022). Research shows managerial ownership does not affect fraudulent financial reporting (Shaqila, 2021). Based on previous research, the fourth hypothesis proposed is

H_4: Managerial ownership has a negative effect on financial statement fraud.

2.7. Frequency of Audit Committee Meetings

The audit committee is a board of commissioners responsible for managing and following up on reports of violations committed by the board of directors. Audit committee meetings are held to monitor, supervise, and discuss financial information so that managers do not have the opportunity to commit fraud. Meetings also routinely provide a possibility that the potential for management and employees to commit fraud is even smaller because it is supervised by the audit committee (Astrawan & Achmad, 2023). OJK Regulation No.55/POJK.04/2015 explains that the audit committee must hold an audit committee meeting to supervise and monitor the financial statements to be presented. Sarbanes-Oxley Act (SOX) also requires by law in the United States that audit committee meetings be held more frequently, i.e. four times a year (McLaughlin et al., 2021). Other research states that The more frequent the Audit Committee meetings, the more intensive the Audit Committee members are in discussing matters that are the responsibility of the Audit Committee to reduce financial statement fraud (Santoso, 2019; Sukma & Yustrida, 2020). The frequency of audit committee meetings (measured by the number of meetings in a year) signifies the involvement of members in fulfilling their monitoring responsibilities (Dragomir & Dumitru, 2023; Raimo et al., 2021). More frequent meetings allow for more intensive discussion and supervision, which can reduce the potential for fraud (Astrawan & Achmad, 2023). Based on previous research, the fifth hypothesis proposed is:

H_5: The frequency of audit committee meetings has a negative effect on financial statement fraud.

2.8. Whistleblowing System

A Whistleblowing system is a reporting system carried out by organization members regarding violations, illegal actions, or immoral acts against parties inside and outside the organization. Prevention efforts against fraud based on the Presidential Instruction of the Republic of Indonesia Number 10 of 2016 concerning measures to Prevent and Eradiate

Corruption in 2016 and 2017 concerning strengthening the internal control system, namely the optimization whistleblowing system. The results of the study show that a higher whistleblowing system will further reduce the level of financial statement fraud (Jayanti & Suardana, 2019; Maulida & Bayunitri, 2021; Puryati & Febriani, 2020, 2020; Sari & Nugroho, 2020). Implementing the whistleblowing system in Bank BRI and Bank BTN has effectively detected and prevented fraudulent acts, but not in Bank BNI and Bank MANDIRI (Maharani & Sudarma, 2023). Another study states that the relationship between the whistleblowing system and Good Corporate Governance, with the mediation variable of cheating awareness in cheating prevention, showed insignificant results. These findings indicate a low awareness of avoiding unethical actions aimed at self-enrichment (Periansya et al., 2023). Based on previous research, the sixth hypothesis proposed is:

H_6: The whistleblowing system has a negative effect on financial statement fraud.

3. Method

The population of this study is financial sector companies listed on the IDX in 2016-2018. The sampling technique used is purposive sampling with the following criteria:

a. Financial sector companies listed on the IDX in 2016 - 2018 amounted to 104.
b. There are a minimum of 42 companies whose data is not fully available, so 61 companies were sampled.
c. The observation year was 3 years, so the number of samples during the research period was 183.

The Dependent Variable in this study is financial statement fraud. Company determination fraud is done by calculating the Beneish M-Score (Hugo, 2019). Fraud is measured using variables Dummy : code "1" for companies that commit fraud and code "0" for non-fraud. If the M-Score is greater than -2.22, then there is potential for fraud and is coded "1"; if the M-Score is less than -2.22, then it is considered not potentially cheating and is coded "0" (Agustin et al., 2022).

$$M = -4.840 + 0.920DSRI + 0.528GMI + 0.404AQI + 0.892SGI + 0.115DEPI - 0.172SGAI + 4.679TATA - 0.327LVGI$$

The first independent variable is The Independent Board of Commissioners, measured using the number of Board of Commissioners from outside the Company to the total Board of Commissioners (Handoko et al., 2019; Wahyuni, 2017).

$$\text{Independent Board of Commissioners} = \frac{\text{Number of Independent Commissioners}}{\text{Total Number of Commision}}$$

The second independent variable is the audit committee, measured using a variable dummy. A value of "1" if the internal audit committee of the company has three or more members and "0" if the internal audit committee of the company has fewer than three members (Angelina & Chariri, 2022; Mulia & Tanusdjaja, 2021).

The third independent variable is the Institutional Ownership Structure measured by using the number of shares owned by other companies compared to the number of outstanding shares in the company (Ghandur et al., 2021; Guritno et al., 2020; Kurniawan et al., 2020).

$$\text{Institutional Ownership Structure} = \frac{\text{Shares Owned by the Company}}{\text{Total Share Outstanding}}$$

The fourth independent variable is the Managerial Ownership Structure, measured using the percentage of total shares of all executive directors compared to total shares (Ibrahim et al., 2022).

$$\text{Managerial Ownership Structure} = \frac{\text{Shares Owned by Management}}{\text{Total Outstanding Share}}$$

The fifth independent variable is the frequency of audit committee meetings to be measured by calculating the number of meetings that will be held by the audit committee within the company in one year (Astrawan & Achmad, 2023; Dragomir & Dumitru, 2023; Xu & Jiang, 2011). The Sarbanes-Oxley Act does not explicitly require the audit committee to meet four times per year, but the practice in United States companies is to hold four annual meetings to review and oversee quarterly financial statements.

The sixth independent variable is the Whistleblowing System measured by dummy variables: code "1" for companies that implement it and code "0" for those that have not (Ghozali & Achmad, 2019; Maharani & Sudarma, 2023; Widyawati et al., 2019).

The logistic regression analysis model used for hypothesis submission is as follows:

$$\text{Fraud} = \alpha + \beta 1X1 + \beta 2X2 + \beta 3X3 + \beta 4X4 + \beta 5X5 + \beta 6X6 + €$$

4. Result and Discussion

Descriptive statistics provide an overview of data in the form of minimum, maximum, average, and standard deviation values of each independent and dependent variable. These results can be seen in Table 1, which obtained 183 data from 61 manufacturing companies over a 3-year period (2016–2018). The Overall Model Fit Test was performance by comparing the initial -2 Log Likelihood and the final value. In Table 2, the Likelihood Log result is 92.508 compared to the chi-square table (N=183), which is 214.477052 results -2 Log Likelihood < chi-square table. So, it can be concluded that the data obtained meets the test requirements. The determination coefficient in this study was measured by Nagelkerke R square, which shows how far the model can explain the variation of dependent variables. Table 3 shows the values of the Nagelkerke R square by 0.800 or 80%, which means that financial statement fraud can be explained 80% by the independent variables of this study, while other variables explain 20%.

The feasibility test of the regression model was carried out by Hosmer and Lemeshow *Test* to ensure the suitability of the sample data with the regression model used. Table 4 shows that the significance value of Hosmer and Lemeshow *Test* is 0.536, which is greater than 0.05. This means that there is no significant difference between the data and the model, so the model is appropriate and can be used to predict the data well. The results of the logistic regression test showed the influence of each independent variable on the dependent variable, with a significance level of 0.050, to determine the acceptance or rejection of the hypothesis. Table 5 will provide an interpretation of the results of the logistic regression test. The model obtained is as follows:

$$\text{Fraud} = 13.502 - 8.048X1 + 0.435X2 - 6.736X3 - 8.981X4 + 0.111X5 - 6.434X6 + €$$

Table 1. Descriptive Analysis

Variable	N	Min	Max	Mean	Std. Dev
Financial Statement Fraud	183	0.00	1.00	0.437	0.497
Independent Board of Commissioners	183	0.00	1.00	0.538	0.131
Audit Committee	183	0.00	1.00	0.864	0.343
Institutional Ownership Structure	183	0.00	0.99	0.705	0.346
Managerial Ownership Structure	183	0.00	0.78	0.075	0.124
Frequency of Audit Committee Meetings	183	3.00	32.00	8.732	5.891
Whistleblowing System	183	0.00	1.00	0.906	0.379

Table 2. History Iteration

Iteration		.-2 Log Likelihood	Coefficients Constant
Step 0	1	92.508	-0.149
	2	92.508	-0.150

Table 3. Nagelkerke R square

Step	.-2 Log Likelihood	Cox & Snell R Square	Nagelkerke R Square
1	84.623A	0.597	0.800

Table 4. Hosmer and Lemeshow Test

Step	Chi-square	Df	Sig.
1	7.008	8	0.536

Table 5. Hypotheses Testing

	B	S.E.	Wald	Df	Sig.	Exp(B)
Independent Board of Commissioners	-8.048	2.644	9.267	1	0.002**	0.00
Audit Committee	0.435	0.919	0.224	1	0.636	1.2545
Institutional Ownership Structure	-6.736	1.379	23.850	1	0.000**	0.001
Managerial Ownership Structure	-8.981	2.422	13.754	1	0.000**	0.000
Frequency of Audit Committee Meetings	0.111	0.060	3.346	1	0.067	1.117
Whistleblowing System	-6.434	1.273	25.567	1	0.000**	0.002

** Sig < 1%

The results of the first hypothesis research were accepted, and the Independent Board of Commissioners proved to be able to reduce financial statement fraud. They are tasked with supervising management objectively and without personal interests so that they are better able to prevent fraud in financial statements. A similar study show that the stronger the role of the independent board of commissioners, the lower the likelihood of financial statement fraud (Indarto & Ghozali, 2016; Pamungkas et al., 2018; E. Wahyuni, 2017). The ratio of independent boards of commissioners affects fraud detection (Handoko et al., 2020; Zhukevych & Zhuk, 2023). Other research also found a negative and significant relationship between the Independent Board of Commissioners and financial statement fraud (Afiah & Aulia, 2020; P. N. Sari & Husadha, 2020).

The results of the second hypothesis research were rejected; the Audit Committee did not have a significant influence on financial statement fraud. Research with similar results of the audit committee does not significantly affect financial statement fraud (Xu & Jiang, 2011). The audit committee has limited influence in preventing or reducing financial statement fraud. The large number of committee members can complicate coordination, making it easier for managers to cheat (Angelina & Chariri, 2022). The effectiveness of an audit committee also depends more on the quality of its members than on the number; companies that commit fraud tend to have fewer financial experts on the audit committee (Farber & Lee, 2011). Many audit committees, such as the Financial Services Authority No. 55/POJK.04/2015, are formed only to comply with regulations without improving the quality of members. When audit committees are formed without a focusing on their quality and function, they may not have the skills to detect and prevent fraud. The long tenure of audit committees can reduce their independence (McLaughlin et al., 2021).

The results of the third hypothesis research were accepted, and the institutional ownership structure was proven to reduce financial statement fraud. These results are in line with several studies that mention a negative relationship between institutional ownership structures and financial statement fraud (Ghafoor et al., 2019; Ghandur et al., 2021; Guritno et al., 2020; Kurniawan et al., 2020; Pamungkas et al., 2018; Yendrawati et al., 2023). Institutional ownership is considered to improve the performance of a company's management because managers tend to avoid decisions that are detrimental to shareholders (Syamsudin et al., 2017). Institutional ownership can reduce profit management, ultimately reducing the likelihood of fraud. The higher the proportion of institutional ownership, the lower the risk of financial statement fraud (Riandani & Rahmawati, 2019). Institutional ownership can ensure more effective supervision, thereby reducing the potential for financial statement fraud (Ghozali & Achmad, 2019; Pamungkas, 2017). The results of the fourth hypothesis research were accepted, and the managerial ownership structure was proven to reduce financial statement fraud. Stock ownership is mostly by management, which will reduce the possibility of fraud (Kardhianti & Srimindarti, 2022; Priswita & Taqwa, 2019). Managerial ownership can align the interests of managers and shareholders (Noviarti & Yosi Stefhani, 2022). Managerial ownership can supervise corporate governance to ensure high-quality financial reports (Yendrawati et al., 2023).

The results of the fifth hypothesis research were rejected; the frequency of audit committee meetings did not have a significant influence on financial statement fraud. Frequently held meetings do not always result in effective decisions to prevent fraud, so companies do not guarantee that they will be free from fraud. This finding is consistent with other studies that state that the frequency of audit committee meetings does not have a significant effect on financial statement fraud (Xu & Jiang, 2011). The frequency of audit committee meetings shows a positive correlation with Integrated Reporting Quality (IRQ), but the results were not statistically significant (Dragomir & Dumitru, 2023).

The results of the sixth hypothesis research were accepted, and the whistleblowing system was proven to reduce financial statement fraud. The whistleblowing system allows employees and stakeholders to report suspicious actions safely and anonymously so that manipulation in financial reporting can be detected and prevented before it develops into fraud. System existence whistleblowing creates a preventive effect (deterrent effect), where the parties involved in preparing financial statements will think twice before manipulating because they know that any suspicious actions will be at risk of being reported and further investigated. Therefore, this system not only increases accountability but also strengthens a more transparent and ethical corporate culture. Early detection through system mechanisms of whistleblowing will prevent the company from losing (Dewata et al., 2022; Ghozali & Achmad, 2019; Pamungkas, 2017; Rohmatin et al., 2021). The implementation of whistleblowing systems has a significant relationship with a decrease in fraud incidents in financial statements (Evia Lestari & Ayu, 2021; Maulida & Bayunitri, 2021; Widyawati et al., 2019).

5. Conclusion

This study shows that the Independent Board of Commissioners has a significant role in reducing financial statement fraud by overseeing management objectively and without personal interest, which is in line with previous findings. On the other hand, the Audit Committee did not show a significant influence on financial statement fraud, as its effectiveness was limited by coordination issues and the quality of its members. Institutional ownership has proven to have a significant influence in reducing financial statement fraud, with an increasing proportion of institutional ownership that can improve managerial performance and reduce the risk of fraud. Similarly, Managerial Ownership serves to align the interests of managers with shareholders, thereby reducing the potential for fraud. The frequency of Audit Committee meetings did not show a significant influence on the prevention of financial statement fraud, indicating that frequent meetings do not guarantee effective decisions in preventing fraud. The Whistleblowing System has proven to play a significant role in reducing financial reporting fraud by providing a secure and anonymous reporting mechanism, which promotes transparency and early detection of fraud. This research is limited to financial institutions with 2018-2022, which may limit the generalization of results to other sectors. The limitation of data that only comes from the annual report can also affect the depth of analysis. Further research is suggested to expand the sample, use a longer time frame, and add variables such as organizational culture or external policies (Budak & Filiz, 2024).

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