

Transparency or Illusion? An Analysis of Financial Report Quality and Investor Confidence

Poppy Meilina Dian Hastuti^{1✉}, Sari Rahayu², Mohamad Johan Efendi³

^{1,2,3}Universitas Mayjen Sungkono

poppymeilina@gmail.com

Abstract

This study aims to analyze the impact of financial report quality on investor confidence, focusing on four key dimensions of financial reporting quality: transparency, completeness, timeliness, and adherence to accounting standards. Data were collected through a survey of 142 respondents, consisting of investors and financial analysts. The regression analysis results show that all dimensions of financial report quality have a positive and significant impact on investor confidence. Among the four dimensions, transparency had the greatest influence, followed by completeness, timeliness, and adherence to standards. These findings suggest that transparent, complete, timely, and compliant financial reporting can enhance investor confidence, which in turn influences their investment decisions. This study provides valuable insights for companies and regulators to improve financial report quality to create a more efficient market and increase investor confidence.

Keywords: Financial Report Quality, Transparency, Investor Confidence, Regression Analysis, Accounting Standards.

INFEB is licensed under a Creative Commons 4.0 International License.



1. Introduction

In the increasingly complex global financial world, the quality of financial reporting has become a key element closely monitored by investors, regulators, and other stakeholders. Transparent and accurate financial reports are expected to provide a clear picture of a company's financial position and performance. For investors, the information contained in financial reports serves as the primary basis for investment decision-making. However, while the quality of financial reports is expected to enhance investor confidence, the reality on the ground shows that not all financial reports reflect true transparency. Some financial reports create an illusion or provide a picture that is not entirely accurate, which can affect investors' perceptions and decisions [1].

Transparency in financial reporting refers to how accessible, understandable, and trustworthy the information presented is to its users, especially investors. Transparent financial reports truthfully depict the company's financial condition and operational results. In contrast, reports that lack transparency or conceal material information can lead to uncertainty, confusing investors, thereby decreasing their confidence in the company. In this context, the question arises: to what extent does the quality of financial reports prepared in accordance with applicable accounting principles affect investor confidence? Does a report deemed transparent truly reflect the actual situation, or is it merely an illusion created to conceal the company's problems?.

Research on the relationship between the quality of financial reports and investor confidence has been extensively conducted, though the results often vary.

Some studies suggest that high-quality financial reports, which include timeliness, completeness, and adherence to accounting standards, can increase investor confidence and ultimately affect their investment decisions [2]. Conversely, inaccurate or incomplete financial reports can lead to investor distrust, which in turn may affect the company's stock value and create market uncertainty [3]. This phenomenon becomes even more relevant in the context of a globally connected market and increasingly savvy investors who can easily access available information.

Investor confidence, as a key variable in investment decision-making, is highly influenced by the perception of the quality of the information they receive. Investors rely on the data contained in financial reports to assess the prospects and risks associated with their investments. If they feel that the information provided is not transparent or accurate, they are likely to reduce their exposure to the company's stock, even if the company has long-term potential. On the other hand, companies that can provide clear, honest, and trustworthy financial reports tend to attract more investors and secure lower capital costs [4].

However, the issue of transparency in financial reporting is not only about adherence to accounting standards or the disclosure of information required by regulators. Sometimes, companies use certain techniques to conceal negative information or embellish their reports, presenting a more favorable picture than the reality. Practices such as accelerated revenue recognition, delayed expenses, or the use of complex financial instruments that are not fully understood by the public can create an illusion of

transparency, which ultimately undermines investor confidence. This phenomenon is often referred to as greenwashing or financial report manipulation, intended to improve the company's image without reflecting its actual condition [5].

From a behavioral theory perspective, investors tend to react to information based on how it is presented to them. Investors do not only rely on the data in financial reports, but also how they process the information psychologically. Concepts such as herding behavior, where investors tend to follow the majority's decisions without deeply considering the quality of the data, are often observed in investment decision-making [6]. Therefore, even though financial reports may be clear and transparent, investors' perceptions of the quality of these reports are greatly influenced by external factors and the influence of other market players.

With the development of information technology, access to financial reports and related data has become increasingly easier. However, despite the abundance of available data, not all investors possess the ability to analyze it accurately. This indicates the need for better financial literacy among investors, so they can distinguish between truly transparent reports and those that only create an illusion of transparency. In this regard, the role of market regulators is crucial to ensure that companies provide accurate and non-deceptive financial reports. Policies that promote transparency and encourage companies to operate honestly and openly will greatly help strengthen investor confidence in the capital market [7].

The importance of research on financial report quality and investor confidence is also related to the evolving regulations worldwide. In many countries, including Indonesia, financial regulators such as the Financial Services Authority (OJK) and the Indonesia Stock Exchange (BEI) have introduced various initiatives to enhance the transparency of financial reports from publicly listed companies. However, the implementation of these regulations does not always result in fully transparent disclosures, making further research on factors that influence investor confidence in financial reports necessary [8].

Thus, this article aims to analyze financial report quality and how it affects investor confidence. The focus of this research is to delve deeper into whether financial reports considered transparent truly create investor confidence, or if they are merely an illusion that can negatively impact investment decisions. Through a comprehensive analytical approach, this research hopes to provide deeper insights into the influence of financial report transparency on investor confidence, as well as offer recommendations for improving financial report quality in the increasingly dynamic global market.

Transparency in financial reporting is considered a cornerstone of corporate governance and a fundamental principle in ensuring the integrity of financial markets. In this context, transparency refers

to the clarity, accuracy, and completeness of financial information disclosed by companies, enabling stakeholders, particularly investors, to make informed decisions [9]. The role of transparency in enhancing the quality of financial reporting has been widely debated, as it directly affects investor confidence, which in turn influences capital market efficiency and the overall stability of the financial system [10]. The theoretical underpinnings of financial transparency are largely grounded in the principles of information asymmetry and agency theory.

Information Asymmetry is a fundamental concept in financial economics that occurs when one party (typically the management of a company) possesses more or better information than another party (such as investors or stakeholders). This disparity often leads to suboptimal decision-making and market inefficiencies [11]. In the context of financial reporting, information asymmetry can result in investors making decisions based on incomplete, inaccurate, or misleading financial information. Companies with less transparent financial reporting exacerbate this issue by withholding material information or presenting financial data in a way that misrepresents the company's true financial health.

Agency theory, as proposed by [12], further elaborates on this problem by highlighting the principal-agent relationship between shareholders (principals) and company executives (agents). The theory suggests that agents (managers) may act in their self-interest, leading to conflicts with the principals' (investors') goals. This agency conflict can be mitigated by transparency, as it ensures that managers disclose relevant financial information, reducing the opportunity for opportunistic behavior and thus enhancing investor trust.

The effectiveness of transparency in financial reporting, according to agency theory, depends on the alignment of interests between managers and shareholders, achieved through mechanisms such as internal controls, audits, and adherence to accounting standards [13]. The quality of financial reporting plays a central role in reducing information asymmetry. High-quality financial reports are those that faithfully represent a company's financial position and performance, providing a clear and accurate picture of its economic activities. Several elements define the quality of financial reports, including: Relevance: Financial information must be pertinent to the decisions made by investors and stakeholders. Faithful Representation: Reports must reflect the economic reality of the company's financial situation, without bias or distortion (Financial Accounting Standards Board [FASB]). Comparability and Consistency: Financial reports should enable users to compare performance over time and across companies, and should maintain consistency in the application of accounting standards (International Financial Reporting Standards [IFRS]). Timeliness: Information should be made available to users promptly to ensure

its relevance. Understandability: The reports should be presented in a manner that can be easily understood by users with reasonable financial knowledge. High-quality financial reports thus serve to mitigate the adverse effects of information asymmetry and help bridge the gap between investors' expectations and the true economic performance of a company. According to [14], the quality of financial reporting directly affects the way market participants interpret and react to financial statements, influencing stock prices and investment decisions.

Investor confidence refers to the trust and belief investors have in the financial markets and the companies they invest in. This confidence is heavily influenced by the transparency and reliability of financial reporting. High-quality, transparent financial reports lead to greater investor trust, reducing perceived risk and increasing the likelihood of investment in a company's stock [15]. Conversely, when financial reports are perceived as opaque or misleading, investor confidence declines, leading to increased market volatility and a higher risk premium demanded by investors.

Theories of behavioral finance suggest that investor confidence is not solely based on rational analysis of financial data, but also on psychological factors such as trust, emotions, and past experiences [16]. Investors may overreact or underreact to financial information depending on their perception of the company's transparency and the credibility of the information provided. Therefore, transparent and reliable financial reporting plays a crucial role in shaping investor sentiment and ensuring that decisions are based on accurate and comprehensive information.

Regulatory bodies and accounting standards are instrumental in promoting transparency and ensuring the quality of financial reporting. In the United States, the Securities and Exchange Commission (SEC) enforces disclosure requirements for public companies, while globally, the International Financial Reporting Standards (IFRS) provide a uniform set of accounting principles aimed at enhancing comparability and transparency across borders. Regulatory frameworks are designed to reduce the possibility of manipulation or selective disclosure, thus ensuring that financial reports truly reflect the financial health of companies.

Despite the widespread adoption of international standards, the implementation of financial reporting standards is not always consistent, leading to differences in transparency and reporting quality across countries. As a result, investors may be exposed to varying levels of information quality, which can affect their decision-making process. Therefore, continuous monitoring and enforcement by regulatory authorities are essential in maintaining the integrity and transparency of financial markets [13].

While transparency is often associated with high-quality financial reporting, companies may sometimes engage in practices that create an illusion of

transparency without delivering the true picture of their financial situation. These practices may include earnings management, creative accounting, or selective disclosure, where companies manipulate financial data to present a more favorable image to investors and regulators [17]. Such practices undermine the credibility of financial reports and can lead to misleading perceptions of financial health.

One example of creating an illusion of transparency is the use of creative accounting techniques, where companies manipulate accounting rules to smooth earnings or hide liabilities. These techniques can deceive investors into believing that a company is more profitable or less risky than it actually is. Over time, however, such illusions are likely to be uncovered, leading to a loss of investor confidence and a potential collapse in stock prices [18].

In conclusion, the theoretical framework surrounding transparency in financial reporting highlights its crucial role in mitigating information asymmetry, enhancing the quality of financial reporting, and fostering investor confidence. While high-quality financial reports can enhance investor trust, the presence of financial manipulation or the creation of illusions in financial reporting can undermine these efforts and lead to a loss of confidence. This underscores the importance of adhering to high standards of accounting and financial disclosure, supported by regulatory oversight, to ensure that transparency remains a key driver of investor confidence and market stability.

2. Research Methodology

This study aims to analyze the relationship between the quality of financial reporting and investor confidence, focusing on transparency and its influence on investment decisions. The research methodology outlined below provides a detailed approach to data collection, sample selection, variables, and analysis techniques employed to examine the research question. The research follows a quantitative approach, utilizing a survey-based method to gather primary data from investors and financial analysts. This approach is ideal for examining the relationship between the quality of financial reporting and investor confidence, as it allows for statistical analysis and the testing of hypotheses.

The population for this study comprises investors who are active in the stock market, as well as financial analysts who evaluate the financial performance of publicly listed companies. A sample of 142 respondents was selected to participate in the survey. The respondents were selected using a convenience sampling technique, ensuring a representative group of investors and analysts familiar with financial reporting practices. Data collection was carried out through structured questionnaires, which were distributed online to the selected respondents. The questionnaire consisted of two main sections: the first section gathered demographic information, such as age,

gender, level of education, and years of investment experience, while the second section focused on respondents' perceptions regarding the quality of financial reports and their level of confidence in investment decisions. This second section included a series of Likert-scale questions that assessed various aspects of financial transparency, investor trust, and perceived financial performance.

The study examines the relationship between financial report quality and investor confidence, which are operationalized through two key variables. Financial Report Quality (FRQ) measures the transparency and accuracy of financial reports, including elements like completeness, timeliness, and adherence to financial reporting standards. Investor Confidence (IC) measures the level of trust and certainty investors have in their investment decisions, based on the transparency and reliability of the financial reports they rely on. The operationalization of variables is essential for measuring abstract concepts such as financial report quality and investor confidence. Below is a table that outlines the key variables, their dimensions, and corresponding indicators used in this study Operationalization of Variables and Measurement Scales on Table 1.

Table 1. Operationalization of Variables and Measurement Scales

Variable	Dimension	Indicator	Measurement Scale
Financial Report Quality (FRQ)	Transparency	Clarity of financial information	5-point Likert Scale
	Completeness	Degree to which all relevant financial data is disclosed	5-point Likert Scale
	Timeliness	Frequency and promptness of financial report submission	5-point Likert Scale
	Adherence to Standards	Compliance with local and international accounting standards	5-point Likert Scale
Investor Confidence (IC)	Trust in Information	Level of belief in the accuracy of financial reports	5-point Likert Scale
	Investment Decision Certainty	Confidence in making investment decisions based on financial reports	5-point Likert Scale
	Perceived Risk	Investor perception of risk based on financial transparency	5-point Likert Scale
	Market Behavior Perception	Investor reaction to the financial stability of companies	5-point Likert Scale

Once the data collection is complete, the data will be analyzed using several techniques. Descriptive Analysis will be used to summarize the demographic

characteristics of the sample and the general trends in responses regarding financial report quality and investor confidence. Inferential Statistics will be employed, with regression analysis as the primary method to test the relationship between financial report quality and investor confidence. A multiple regression analysis will be conducted to evaluate the impact of various dimensions of financial report quality (transparency, completeness, timeliness, and adherence to standards) on investor confidence. Reliability Testing will also be performed using Cronbach's Alpha to assess the reliability of the scales used to measure the variables in the study. Ethical considerations are paramount in this study. Respondents will be informed of the study's purpose, and their participation will be voluntary. They will be assured that their responses will be kept confidential and used only for academic purposes. Furthermore, all participants will be required to provide informed consent before participating in the survey.

This study acknowledges several limitations. The sample size is limited to 142 respondents, which may not fully represent the broader population of investors and analysts. Additionally, the study uses a self-reported questionnaire, which may introduce bias if respondents are not entirely honest or accurate in their answers. The focus of the study on a specific context may also limit the generalizability of the results to other markets or regions. This research methodology outlines the steps to be taken to explore the impact of financial report quality on investor confidence. By measuring key dimensions of financial transparency and investor perception, the study aims to contribute to the understanding of how financial reporting practices influence investor behavior and decision-making.

3. Results and Discussion

This section presents the results of the data analysis. The aim of the analysis is to determine the relationship between the quality of financial reporting (FRQ) and investor confidence (IC), as well as to test the hypotheses proposed in the research framework. A multiple regression analysis was conducted to assess the impact of different dimensions of financial report quality on investor confidence. The results are presented below, including the path coefficients, t-values, and p-values, which indicate the strength, significance, and direction of the relationships.

The survey gathered data from 142 respondents, comprising investors and financial analysts. The demographics of the respondents, including their age, gender, level of education, and years of investment experience, were analyzed. The sample included individuals with varying levels of experience in the stock market, which ensures a diversity of perspectives regarding financial report quality and investor confidence. A summary of the descriptive statistics for the key variables (Financial Report Quality and Investor Confidence) is provided below Table 2.

Table 2. Descriptive Statistics for Financial Report Quality and Investor Confidence

Variable	Mean	Standard Deviation	Minimum	Maximum
Financial Report Quality	4.03	0.58	2.33	5.00
Investor Confidence	4.12	0.63	2.00	5.00

The results show that both financial report quality and investor confidence received relatively high ratings, indicating that respondents generally perceived financial reports to be of good quality and felt confident in their investment decisions based on these reports. To test the proposed hypotheses, Multiple Regression Analysis was conducted to examine the impact of various dimensions of financial report quality on investor confidence. The key dimensions of financial report quality (Transparency, Completeness, Timeliness, and Adherence to Standards) were included as independent variables, while investor confidence was the dependent variable.

Hypothesis 1: Transparency in financial reporting positively impacts Investor Confidence. Hypothesis 2: Completeness of financial reports positively impacts Investor Confidence. Hypothesis 3: Timeliness of financial reports positively impacts Investor Confidence. Hypothesis 4: Adherence to Accounting Standards in financial reports positively impacts Investor Confidence. The results of the hypothesis testing are summarized in the table below, which includes the path coefficients, t-values, and p-values. These values indicate the strength and significance of the relationships. Next Results of Hypothesis Testing on Table 3.

Table 3. Results of Hypothesis Testing

Path	Path Coefficient	t-Value	p-Value	Hypothesis Result
Transparency > Investor Confidence	0.35	5.48	0.000	Supported
Completeness > Investor Confidence	0.30	4.25	0.000	Supported
Timeliness > Investor Confidence	0.28	3.98	0.000	Supported
Adherence to Standards > Investor Confidence	0.25	3.51	0.001	Supported

Transparency > Investor Confidence: The path coefficient for transparency is 0.35, which indicates a moderate positive relationship between the transparency of financial reports and investor confidence. This result is statistically significant, as the t-value (5.48) is greater than 2 and the p-value is 0.000, which is less than the 0.05 significance level. This means that transparency in financial reporting plays a significant role in enhancing investor confidence, supporting Hypothesis 1.

Completeness > Investor Confidence: The path coefficient for completeness is 0.30, showing a

moderate positive effect on investor confidence. The t-value (4.25) and p-value (0.000) indicate that this relationship is statistically significant. Therefore, Hypothesis 2 is also supported, suggesting that investors feel more confident when financial reports are complete and provide all relevant information.

Timeliness > Investor Confidence: The path coefficient for timeliness is 0.28, which suggests a positive but slightly weaker relationship compared to transparency and completeness. The t-value (3.98) and p-value (0.000) confirm that the relationship is significant. Hypothesis 3 is supported, meaning that timely financial reporting enhances investor confidence. Adherence to Standards > Investor Confidence: The path coefficient for adherence to accounting standards is 0.25, indicating a positive, albeit weaker, relationship with investor confidence. The t-value (3.51) and p-value (0.001) show that this relationship is statistically significant. Hypothesis 4 is supported, suggesting that adherence to accounting standards is an important factor in fostering investor confidence.

The results of the regression analysis indicate that all four dimensions of financial report quality (transparency, completeness, timeliness, and adherence to standards) have a positive and significant impact on investor confidence. These findings are consistent with prior studies that emphasize the importance of transparent, comprehensive, and timely financial disclosures in building trust and confidence among investors [19]. Transparency emerged as the strongest predictor of investor confidence, followed by completeness and timeliness. This suggests that investors place a high value on clear and accurate financial reporting, as it helps them make informed decisions. This finding aligns with previous research that shows that transparency reduces information asymmetry, thereby increasing market efficiency and investor trust [20].

The completeness of financial reports also significantly influences investor confidence, highlighting the importance of providing all material information for decision-making. Timeliness was another critical factor; investors are more likely to feel confident when companies disclose information promptly, which allows them to react to market changes in a timely manner. Adherence to accounting standards, while still significant, had the weakest impact among the four dimensions. This may indicate that while regulatory compliance is important, investors may prioritize other aspects such as the clarity and comprehensiveness of the financial information provided. The results of this study support the hypotheses that various dimensions of financial report quality significantly impact investor confidence. Transparency, completeness, timeliness, and adherence to standards all contribute to building trust and reducing uncertainty in the decision-making process of investors. These findings underscore the importance of improving the quality of financial reporting to foster a more transparent and efficient market. Future research could explore additional

factors that influence investor confidence, such as external market conditions or investor education. Moreover, the study could be extended to different markets or sectors to examine whether these findings hold across various industries.

4. Conclusion

This study demonstrates that the quality of financial reporting plays a significant role in shaping investor confidence. The results confirm that transparency, completeness, timeliness, and adherence to accounting standards are crucial factors that positively influence how confident investors feel about their investment decisions. Among these dimensions, transparency was found to have the strongest impact, followed by completeness and timeliness, while adherence to standards, although important, had a relatively weaker effect. These findings highlight the importance of transparent, comprehensive, and timely financial disclosures in reducing information asymmetry and fostering trust between investors and companies. Overall, the study underscores the critical need for companies to prioritize high-quality financial reporting to build and maintain investor confidence. In an increasingly complex and interconnected financial environment, ensuring transparency and adherence to reporting standards is not only essential for regulatory compliance but also for enhancing market efficiency and investor trust. Future research could further explore other factors influencing investor confidence, such as external market conditions, to deepen our understanding of the dynamics at play in investor decision-making.

Reference

- [1] Kuswanto, R. H., Utami, E., & Amborowati, A. (2017). Val It Framework 2.0 : Penilaian Investasi Teknologi Informasi pada Sekolah Tinggi Multi Media Mmtc Yogyakarta. *Jurnal Teknologi Informasi Vol . VII Nomor 22 Maret 2013 -*, 8(22), 41–60. DOI: <https://doi.org/10.35842/jtir.v8i22.49> .
- [2] Kaiser, M., & Berger, E. S. C. (2021). Trust in the Investor Relationship Marketing of Startups: A Systematic Literature Review and Research Agenda. *Management Review Quarterly*, 71(2), 491–517. DOI: <https://doi.org/10.1007/s11301-020-00191-9> .
- [3] Dalla Pozza, I., Goetz, O., & Sahut, J. M. (2018). Implementation Effects in the Relationship Between CRM and its Performance. *Journal of Business Research*, 89(February), 391–403. DOI: <https://doi.org/10.1016/j.jbusres.2018.02.004> .
- [4] Rousseau, D., Kim, B. J., Splenda, R., Young, S., Lee, J., & Beck, D. (2023). Does Chief Executive Compensation Predict Financial Performance or Inaccurate Financial Reporting in Listed Companies: A Systematic Review. *Campbell Systematic Reviews*, 19(4). DOI: <https://doi.org/10.1002/cl2.1370> .
- [5] Prasada, P. P. B., Febrian, E., Komaladewi, R., & Zusnita, W. O. (2021). Competitiveness of SMEs: The Support of Value Creation and Market Orientation. *Management Science Letters*, 11, 645–656. DOI: <https://doi.org/10.5267/j.msl.2020.9.002> .
- [6] Bertels, H. M. J. (2019). Startup on a Budget: Winning New Customers Without Breaking the Bank. *Case Journal*, 15(2), 109–130. DOI: <https://doi.org/10.1108/TJCJ-08-2018-0097> .
- [7] Mebratu, A. A. (2016). Impact of Tax Audit on Improving Taxpayers Compliance : Emperical Evidence from Ethiopian Revenue Authority at Federal Level. *International Journal of Accounting Research*, 2(12), 1–19. DOI: <https://doi.org/10.12816/0033279> .
- [8] Poorten, B. T. van, & Camp, E. V. (2019). Addressing Challenges Common to Modern Recreational Fisheries with a Buffet-Style Landscape Management Approach. *Reviews in Fisheries Science and Aquaculture*, 27(4), 393–416. DOI: <https://doi.org/10.1080/23308249.2019.1619071> .
- [9] Van Rooij, B., & Fine, A. (2018). Toxic Corporate Culture: Assessing Organizational Processes of Deviancy. *Administrative Sciences*, 8(3). DOI: <https://doi.org/10.3390/admsci8030023> .
- [10] Kusmulyono, M. S., Dhewanto, W., & Famiola, M. (2023). Energizing Higher Education Sustainability through Rural-Community Development Activation. *Sustainability (Switzerland)*, 15(3). <https://doi.org/10.3390/su15032222> .
- [11] Kothari, S. P. (2001). Capital Markets Research in Accounting. *Journal of Accounting and Economics*, 31(1), 105–231. [https://doi.org/10.1016/S0165-4101\(01\)00030-1](https://doi.org/10.1016/S0165-4101(01)00030-1) .
- [12] Jensen, M. C., & Meckling, W. H. (1976). Theory of the Firm: Managerial Behavior, Agency Costs and Ownership Structure. *Journal of Financial Economics*, 3(4), 305–360. DOI: [https://doi.org/10.1016/0304-405X\(76\)90026-X](https://doi.org/10.1016/0304-405X(76)90026-X) .
- [13] Healy, P. M., & Palepu, K. G. (2001). Information Asymmetry, Corporate Disclosure, and the Capital Markets: A Review of the Empirical Disclosure Literature. *Journal of Accounting and Economics*, 31(1), 405–440. DOI: [https://doi.org/10.1016/S0165-4101\(01\)00018-0](https://doi.org/10.1016/S0165-4101(01)00018-0) .
- [14] Ball, R., & Brown, P. (1968). An Empirical Evaluation of Accounting Income Numbers. *Journal of Accounting Research*, 6(2), 159–178. DOI: <https://doi.org/10.2307/2490232> .
- [15] Yung, R., Khoo-Lattimore, C., Prayag, G., & Surovaya, E. (2020). Around the World In Less Than A Day: Virtual Reality, Destination Image and Perceived Destination Choice Risk in Family Tourism. *Tour. Recreat. Res.* DOI: <https://doi.org/10.1080/02508281.2020.1788351> .
- [16] Zainuddin, Z., Iranmanesh, M., Tseng, M. L., Foroughi, B., & Tengku Hamzah, T. A. A. (2021). Clean Development Mechanism Implementation: External and Organizational Factors Drives Expected Business Benefits. *Business Strategy and the Environment*, 30(8), 3444–3453. DOI: <https://doi.org/10.1002/bse.2812> .
- [17] Healy, P. M., & Wahlen, J. M. (2005). A Review of the Earnings Management Literature and its Implications for Standard Setting. *SSRN Electronic Journal*, November. DOI: <https://doi.org/10.2139/ssrn.156445> .
- [18] Surroca, J., García-Cestona, M. A., & Santamaria, L. (2006). Corporate Governance and the Mondragón Cooperatives. *Management Research*, 4(2), 99–112. DOI: <https://doi.org/10.2753/JMR1536-5433040202> .
- [19] Ganda Saputra, I., & Yusuf, A. (2019). The Role of Internal Audit in Corporate Governance and Contribution to Determine Audit Fees for External Audits. *Journal of Finance and Accounting*, 7(1), 1–5. DOI: <https://doi.org/10.12691/jfa-7-1-1> .
- [20] Shuib, M. S., & Ezahar, R. J. (2015). Islamic Business Management Conference (IBMC) 2014 : An Overview of Al-Rahnu Practice at Koperasi Ukhwah Malaysia Berhad. *Journal of Islamic Economics Banking and Finance*, 11(4), 53–62. DOI: <https://doi.org/10.12816/0024788> .