INTEGRATED REPORTING IMPRESSIONS AND INVESTMENT DECISIONS OF INDONESIAN INDIVIDUAL INVESTORS - A PRELIMINARY RESEARCH

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ABSTRACT

Unfortunately, there is still people in the name of economic development conducting business in an irresponsible way which creating not only profit but also environmental degradation from waste and pollution that damages ecosystem, loss of resources reserves, and put aside the wellbeing of the workers. As sustainable development becomes a world-wide hot topic, the importance of conducting business in a more sustainable way by taking into account the triple bottom line (People, Profit, Planet or 3P) is starting to get highlight. Companies play an important role into sustainable development and are key contributors to economic, environmental and social wellbeing. Based on these and the increase in society and company awareness in sustainable development, company is no longer seen as money generator. Stakeholder starts to look beyond number on financial statement for company's information. Report, as a way of company to share key information to its stakeholder, shifting into a report which is not only presenting company's key financial information but also key non-financial information (both internal and external information). Integrated reports aiming to facilitate the stakeholder of a company's business to understand beyond the number presented on the financial statement. This preliminary research aiming to understand more regarding issues in individual investor includes basis in investment decision making, the type of individual investor, etc.; their view on highlighted information in integrated report and annual report; and also to be the basis for following research with the same name. Research

method used is questionnaire send to active individual investors in Indonesia Stock Exchange. Question is based on literature review and pilot interview. The result of this interview analyzed by using thematic analysis to make conclusion and addressing research question. There is a quiet important role of analyst report in individual investor investment decision making. Individual investor also taking into account non-financial information to support their investment decision making. Information such as company profile, medium-term business prospect (3-5 years), Company's strategic focus area: performance and prospects, Operational Performance, and Manufactured capital labeled as important and very important by all respondents and information such as corporate governance and intellectual capital get unfavorable response from respondents.

Keyword: *Integrated Report, Investment decision making, Indonesia, Sustainability Development*

INTRODUCTION

Sustainable development first coming into the surface and raising global attention at the Rio de Janeiro 1992 UN Conference on Environment and Development. This summit marked as the first international attempt to moves towards a more sustainable pattern of development (SD Commission UK, 2019). The idea of sustainability development basically is the practice of economic development which should not sacrifice the survival of the community itself. Unfortunately, we could see that there is still people in the name of economic development conducting business in an irresponsible way which creating not only profit but also environmental degradation from waste and pollution that damages ecosystem, loss of resources reserves, and put aside the wellbeing of the workers. An act that brought harm to the survival of the community itself, and a paradox to the sole meaning of economic development.

The balance between the importance to make profit does not legitimize a lower attention and commitment to protecting environment and a better social live (OJK, 2015). Based on these practice on pursuing economic development leads to the idea on how to create economic development that meets the needs of the present without compromising the ability of future generation to meets their own, by taking into account the balance between profit, people and planet. As sustainable development becomes a world-wide hot topic, the importance of conducting business in a more sustainable way by taking into account the triple bottom line (People, Profit, Planet or 3P) is starting to get highlight and steal society attention and also the company attention.

Companies play an important role into sustainable development. Companies are key contributors to economic, environmental and social wellbeing with activities pervade the present and are likely to be critical in the future (Schaltegger, Benett, & Burritt, 2006). Eccles and Krzus (2010) also seen that the event of global economic crisis and the collapse of financial system back in 2009 were a wakeup call to the world that there is an important relationship between business and its external environment (Eccles & Krzus, 2010). Based on these and the increase in society and company awareness in sustainable development, company is no longer seen as money generator. Stakeholder starts to look beyond number on financial statement for company's information. Moreover, in a weak-form of Indonesia stock market (Andrianto & Mirza, 2016), investor/shareholder need

more than just historical financial trend to gain abnormal returns. Report, as a way of company to share key information to its stakeholder including shareholder, shifting into a report which is not only presenting company's key financial information but also key non-financial information (both internal and external information).

Integrated reports aiming to facilitate the stakeholder of a company's business to understand beyond the number presented on the financial statement. Integrated Reporting (IR) is a single report that integrates the company's key financial and non-financial information, a concise communication about how an organization's strategy, governance, performance and prospects, in the context of its external environment and lead to the creation of value in short, medium and long term (Eccles & Krzus, 2010; The International Integrated Reporting Council, 2013).

In Indonesia, the regulation does not require public companies to disclose IR in their reporting, but a lot of companies in Indonesia already have sustainability reporting (SR) (Setiawan, 2016). Amelia (2016) also said that companies that won Indonesia Sustainability Reporting Award are ready to disclose Integrated Reporting. Previous research and survey showed that Investor give more value to the companies which have good corporate governance and are willing to pay 20% higher because this companies tend to perform more adequate disclosure (Gandía, 2008; Nowland, 2008; Parsa, Chong, & Isimoya, 2007). Survey show that investors demand a report with adequate narrative, and clear link among the market, strategy, key performance indicators and future goals, which should also have an integrated structure, whereas from the navigation attribute investors want clear and backed up information (Eccles & Krzus, 2010).

Considering Investor's investment consideration, the type of Indonesia's stock market and the information provided by Integrated Reports, Research Questions of this preliminary study is: What are the basis of retail investor's investment decisions? What are the majority type of retail investor? What are the impression of retail investors towards highlighted point in Integrated Report and Annual Report?

LITERATURE REVIEW
Investment Decision Making
Human decision makers are rational agents making rational decisions (Neumann & Morgenstern, 1953). Since the decision made are rational, so it has to be based on some concrete information that is free from bias and is proven its reliability. Prior studies show that people investing in Public Equity using fundamental analysis and technical analysis on their investment decision. Fundamental analysis and technical analysis are both using proven and reliable information as their basis of analysis. Fundamental analysis comprises an assessment of financial ratios, industry trends and economic condition (global, regional, and country) in which the analyzed-company operated in. This analysis represents an attempt to determine the present discounted value of all the payments a stakeholder will receive from each share of stock (Bodie, Kane, & Marcus, 2018). To do fundamental analysis, financial literacy is needed which sometimes becomes an obstacle to individual investor as they are lack in it. Technical analysis differs to fundamental analysis. While the first rely more on financial understanding and knowledge, the last one is focus on stock price patterns and on proxies for buy or sell

pressure in the market (Bodie et al., 2018). Technical analysis conducted by identifying opportunities in price trends and patterns (past data) which reflected on chart such as moving average or candlestick patterns and is usually used for short term investment. Despite the differences, both type of analysis basically complete each other.

Sometimes not all people using investment knowledge in conducting investment decision making, they also use intuitive judgement in investment. There are at least three important factors to take into account to know how good and valid are intuitive judgments: 1) experience level of decision maker, 2) the constitution of the decision situation and, 3) the exposure to cognitive biases (Trönnberg & Hemlin, 2019).

To describe market in which the investors engaged in, there are two theories: Random Walk and Efficient Market Hypothesis. Random walk describes that in that market, the movement of stock prices from day to day do not reflect any pattern. Professor Eugene Fama comes with his Efficient Market Hypothesis (EMH). In EMH stocks price already reflect all available information. EMH breaks down market in three model including, weak-form, semi strong-form, and strong-form. In weak-form of market the stock prices already reflect all information that can be derived by examining market trading data such as the history of past prices, trading volume, or short interest, implies that trend analysis is fruitless (Bodie et al., 2018). Semi strong-form differ with weak-form on the availability of fundamental data on the firm's product line, quality of management, balance sheet composition, patents held, earning forecasts, and accounting practices, implies that this kind of information would be fruitless. The last one is strong form of market. In this kind of market, stock prices reflect all relevant information, including insider/private information. Previous study shows that Indonesia stock market is in weak form efficiency (Andrianto & Mirza, 2016).

Integrated Reporting

As stated in the previous section, Indonesia stock market is in weak form which means trend analysis of historical past prices, trading volume or short interest is fruitless. In this type of market, the abnormal return could only generated if Investor have information that is more than just historical data (fundamental data or even private/insider information).

Investor use information disclosed by listed companies to analyze the company performance and make decisions about their investments (Cavélius, 2011). Unfortunately, more than 80% of the market value of company is not reflected in the financial statements and practitioner realize that traditional financial statements are no longer sufficient because it is not able to describe the values of company as a whole, for example, the value of intangible assets (Arvidsson, 2011).

Integrated reporting is different from Annual Reporting and Sustainability Reporting. Integrated Reports aim to improve the quality of information available to capital providers and provide an holistic picture of organization's ability to create value over time (The International Integrated Reporting Council, 2013). This framework categorizes organizational inputs and relationships into six types of capitals: Financial, manufactured, intellectual, human, social and relationship and natural (Hsiao & Kelly,

2017). Integrated reports are decision-relevant to investors if they provide additional information that are material to investment appraisal (Lee & Yeo, 2016).

Based on IIRC Framework the Integrated Reporting elements consist of 1) Strategy and Resource Allocation, 2) Performance, 3) Business Model (Input, Process, Output), 4) Governance, 5) Risk and Opportunities, 6) Organizational Overview and External Environment (CSR), 7) Outlook (challenges and implications), 8) Basis of Preparation and Presentation (matters to include, how such matters are quantified), and 9) General Reporting Guidance (materiality).

RESEARCH METHODS

This preliminary study used questionnaire to discovered the nature of individual investor which later the result will be used as the basis to develop semi-structured interview questions to explore the impression of Integrated Reporting of Indonesia's individual investors. This qualitative method is valuable in gaining in-depth understanding regarding individual investor perspectives and impression towards Integrated Reporting on their investment decision making.

In this preliminary study, pilot interviewing is plan to be conducted with one individual investor who is also held title of Investment Manager Representative as interviewee to reveal potential topic to explore. This added with literature reviews and International Integrated Reporting Framework is use to developing questionnaire used in this preliminary study. Although typically retail investor is lack in investment knowledge and engage in risk-seeking behavior (Elan, 2011; Gandhi, 2016; Hossen, Shareef, Hasan, & Sarani, 2014), this study focusing on retail or individual investor after considering that in Indonesia, individual investor accounted to 96% of total investor making their investment decision important to Indonesia capital market and public company.

The questionnaire conducted based on purposive sampling, limited only to active retail investor in Indonesia Stock Exchange and different types of investors (short-term or long-term) are chosen to provide broader insight. Result gathered from questionnaires will later be analyze by using thematic analysis. Thematic analysis is the process of identifying patterns or themes within qualitative data (Maguire & Delahunt, 2017).

RESULT AND DISCUSSION
Result

We conducted pilot interview with I Nyoman Sujana Giri, S.Psi., MAB, an individual investor who is also held a title of Investment Manager Representative, on September 5, 2019 to reveal potential topic to explore. This pilot interview was recorded with consent from interviewee. Based on this interview we highlighted several information such as separation of individual investor type based on their investment horizon, investor's portfolio type, suggestion to consider investment decision other than fundamental analysis and technical analysis, and we figured out the fact that the individual investor in Indonesia sometimes considering Annual Report and Financial Report in making their investment decision and also taking into account the importance of non-financial information.

The result from pilot interview, added with literature review is used as a basis to develop questionnaire use in this preliminary study. In this preliminary study we questioned 16 active retail investors by using a questionnaire developed in Bahasa Indonesia and later translated into English for this research purpose. In this study, individual investor is an investor who do not represents organization or any professional-related job on making their investment decision, or they invest on their own behalf. The profile of 16 active retail investors (respondents of this research) is shown in table 1 and table 2.

Table 1. Profile of Respondents

Category		Percentage
Age group	21-30	93.75%
	31-40	6.25%
Occupation	Private Employee (PE)	68.75%
	Entrepreneur (E)	12.50%
	State Owned Company Employee (SO)	18.75%
Gender	Male (M)	72.22%
	Female (F)	18.75%
Investment horizon	Less than a week (W)	6.25%
	Less than a month (M)	18.75%
	Less than a year (Y)	56.25%
	More than a year (>Y)	12.50%
	Others (O)	6.25%

Table 2. Profile of Active Retail Investors

Code	Age group	Occupation	Gender	Investment horizon				
				W	M	Y	>Y	O
A	21 - 30	PE	M		x			
B	21 - 30	E	M		x			
C	21 - 30	PE	M			x		
D	21 - 30	PE	F					x
E	21 - 30	PE	F		x			
F	21 - 30	SO	M	x				
G	21 - 30	PE	M			x		
H	21 - 30	PE	M			x		
I	21 - 30	PE	M			x		
J	21 - 30	SO	M				x	
K	21 - 30	PE	M			x		
L	21 - 30	E	F				x	

Code	Age group	Occupation	Gender	Investment horizon				
				W	M	Y	>Y	O
M	21 - 30	SO	M			x		
N	21 - 30	PE	M			x		
O	31 - 40	PE	M			x		
P	21 - 30	PE	M			x		

Based on the above mentioned profile of respondent, it is known that not all individual investor has short-term investment horizon, with only one trading in less than a week, and two out of 16 respondents held their investment more than a year. Majority of the individual investor held their investment in less than a year but more than a month.

In analyzing the result, we use three themes: Basis of Investor's investment decision, Type of retail investor, and Impression of retail investors towards highlighted point of company's information.

Basis of investor's investment decision

Based on the pilot interview, individual investor in Indonesia tend to copying the portfolio of investment guru (for example Lo Kheng Hong, Teguh Hidayat, etc.), relying solely on analyst report, or buying recommended stock(s) from investment forum. This phenomenon cause by the broad background of individual investor in which not all investor familiar with fundamental technique (which rely more on finance knowledge).

Based on the questionnaire to 16 respondents, we found that majority (five people) of individual investor in this preliminary research rely on analyst report in making their investment decision (B, I, J, O, and P), four people are using technical analysis (D,E,M, and N), three people are conducting fundamental analysis (A, F, and K), two people based their investment decision on investment forum's stock recommendation, and the last two: H and C is looking for an undervalued company, and inspired by portfolio of investment guru respectively.

Analyst report is popular among respondents, five out of sixteen respondent use analyst report as their basis investment decision making. Based on CFA Institute(CFA Institute, 2013) equity research report (analyst report) does not have standard format and can include varying level of detail. But, analyst report still has common elements which includes:

1. Basic information of a firm including company's ticker symbol, the primary exchange upon which its shares are traded, the primary sector and industry in which the company operates, investment recommendation, the current stock price and market capitalization, and the target stock price.
2. Investment summary should include brief description of a company, significant recent developments, some earnings forecast, a valuation summary and the recommended investment action
3. Business description should include a detailed description of the company and its products and services. It should also convey a clear understanding of the company's economics, including discussion of the key drivers of revenue and expenses.

4. *Management & governance include a critique of the firm's management   and board: senior management's history with the firm and their record of capital allocation are important considerations, as are their compensation and incentive plans, and levels of stock ownership.*
5. *Industry overview and competitive positioning should include an overview of the industry dynamics, including a competitive analysis of the industry.*
6. *Valuation include a thorough valuation analysis of the company using conventional valuation metrics and formulas.*
7. *Financial analysis includes a detailed analysis of the company's historical financial performance, and a forecast of future performance.*
8. *Investment risk should address potentially negative industry and company developments that could pose a risk to the investment thesis. Risks can be operational or financial in nature, or related to regulatory issues or legal proceedings.*

There is no fix schedule as to when financial analyst would release the analyst report regarding one company yet, this report is popular among the respondent. Based on the elements describe by CFA Institute, analyst report combines information provided by fundamental analysis and technical analysis. Prior studies highlight that financial analysts rely upon corporate non-financial information in their firm assessment (Orens & Lybaert, 2008). This making financial analyst's role significant in this preliminary study, by looking at their role as the information intermediaries between company and investor.

Type of Individual Investor

Majority of respondents in this preliminary study are short-term individual investor with different investment length from one to another with two respondents are long-term individual investor (J and L). One respondent holds his investment in less than one week before deciding to sell it (F), three respondents hold their investment in less than one month before deciding to sell it (A, B, and E), and most of respondents (nine respondents) hold their investment for less than a year before deciding to sell it (C, G, H, I, K, M, N, O, and P). We also found that one respondents tend to be daily trader which monitored the movement of the stock and decided to sell it once her stock's selling price is higher than buying price (D).

We also found that majority of respondent do not trade shares routinely on monthly basis (C, F, G, L, M and N). Three respondents trade shares more than five times a month (D, E, and O). Four respondents trade shares for three to five times a month (A, H, I, and K). Three respondents trade shares for two times a month (B, J, and P).

While the two long-term individual investor's portfolio consists only not-routinely traded shares or hold until next dividend paid (L) and majority consist of not-routinely traded shares, we found diverse portfolio type among short-term individual investor in our preliminary research. Two respondents' portfolio only consist of routinely traded shares (A and D), four respondents' portfolio only consist of not-routinely traded shares (F, K, M, and N), three respondents' portfolio mostly consist of routinely traded shares (B, H, and D), and five respondents' portfolio mostly consist of not-routinely traded

shares (C, E, G, I, and P). Table 3 shows the tabular summary of individual investor type in this preliminary research.

Table 3. Individual Investor Types

Respondents	Numbers of Transactions	Portfolio Composition
A	3 - 5	only routinely traded shares (hold less than one month)
B	2	mostly routinely traded shares
C	not routine	mostly not-routinely traded shares
D	>5	only routinely traded shares (hold less than one month)
E	>5	mostly not-routinely traded shares
F	not routine	only not-routinely traded shares (hold more than 6 month or until next dividend payment)
G	not routine	mostly not-routinely traded shares
H	3 - 5	mostly routinely traded shares
I	3 - 5	mostly not-routinely traded shares
J	2	mostly not-routinely traded shares
K	3 - 5	only not-routinely traded shares (hold more than 6 month or until next dividend payment)
L	not routine	only not-routinely traded shares (hold more than 6 month or until next dividend payment)
M	not routine	only not-routinely traded shares (hold more than 6 month or until next dividend payment)
N	not routine	only not-routinely traded shares (hold more than 6 month or until next dividend payment)
O	>5	mostly routinely traded shares
P	2	mostly not-routinely traded shares

Individual Retail Investors Impressions Towards Highlighted Points of Company's Disclosures

We highlighted information that usually appear in annual report and integrated report to know what investor think about the related information in making the investment decision. There are 22 types of information that are being asked to the respondents which include, financial highlights, management report, company profile, management discussion and analysis, corporate governance, consolidated financial statement, company's business model, value chain activities, company's value creation (connection between resources), performance measurement, short-term business prospect (1-3 years), medium-term business prospect (3-5 years), long-term business prospect (>5 years), company's risk and opportunity, company's strategic focus area: performance and prospects, operational performance, financial capital, manufactured capital, intellectual capital, social and relationship capital, human capital, and natural capital. Table 4 shows the tabular summary of respondents' impression towards the related information.

Table 4. Respondents' Impressions

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
financial highlights	VI	VI	I	I	I	VI	I	I	VI	VI	I	I	VI	I	VI	VI
management report	I	VI	I	I	I	I	NI	I	NI	VI	I	I	VI	I	I	NI
company profile	VI	I	I	I	I	I	I	VI	I	VI	I	VI	VI	VI	VI	I
management discussion and analysis	I	VI	I	I	I	I	I	VI	NI	I	I	NI	VI	VI	I	NI
corporate governance	VI	I	NI	NI	I	I	NI	VI	I	I	I	NI	VI	VI	VI	VI
consolidated financial statement	VI	VI	VI	I	I	VI	NI	I	I	VI	VI	I	VI	I	VI	VI
company's business model	VI	I	VI	NI	I	VI	I	I	NI	VI	VI	I	VI	VI	VI	VI
value chain activities	VI	I	VI	I	VI	I	I	I	VI	I	I	NI	VI	I	I	VI
company's value creation	VI	I	VI	I	I	I	I	I	NI	VI	VI	NI	VI	VI	VI	I
performance measurement	VI	VI	VI	NI	I	I	I	I	I	I	I	NI	VI	VI	VI	VI
short-term business prospect	I	VI	VI	VI	VI	VI	VI	I	VI	VI	I	VI	VI	VI	NI	VI
medium-term business prospect	VI	VI	I	VI	VI	VI	VI	VI	I	VI	I	VI	VI	VI	I	I
long-term business prospect	I	VI	VI	VI	VI	VI	VI	I	NI	VI	NI	I	VI	VI	VI	NI
company's risk and opportunity	VI	VI	I	VI	VI	I	NI	I	NI	I	I	I	VI	VI	VI	VI
performance and prospects	VI	VI	I	I	VI	I	I	I	I	VI	I	I	VI	VI	VI	VI
operational performance	VI	VI	I	I	I	I	I	I	I	VI	VI	I	VI	I	VI	VI
financial capital	VI	VI	VI	VI	I	I	I	I	VI	I	VI	I	VI	NI	VI	I
manufactured capital	VI	VI	VI	I	I	I	I	I	I	I	I	I	VI	VI	VI	VI
intellectual capital	I	VI	I	NI	I	NI	I	I	VI	I	VI	I	VI	VI	I	NI
social and relationship capital	I	I	I	I	I	I	I	I	NI	I	I	VI	VI	NI	I	VI
human capital	I	I	I	NI	I	I	I	I	VI	I	I	I	VI	I	I	NI
natural capital	I	I	I	I	I	I	I	I	VI	I	I	I	VI	I	N	VI

Notes :
VI : very important   I : important   NI : not important

We are highlighted several point of information which labeled as important and very important by all of the 16 respondents (or in other words have a positive labeled):

1. *Financial Highlights with 8 people labeled it as important (C, D, E, G, H, K, L, and N) and 8 people labeled it as very important (A, B, F, I, J, M, O, and P).*
2. *Company Profile with 9 people labeled it as important (B, C, D, E, F, G, I, K, and P) and 7 people labeled it as very important (A, H, J, L, M, N, and O)*
3. *Medium-term business prospect (3 – 5 years) with 5 people labeled it as important (C, I, K, O, and P) and 11 people labeled it as very important (A, B, D, E, F, G, H, J, L, M, and N).*
4. *Company's strategic focus area: performance and prospects with 8 people labeled it as important (C, D, F, G, H, I, K, and L) and 8 people labeled it as very important (A, B, E, J, M, N, O, and P)*
5. *Operational Performance with 9 people labeled it as important (C, D, E, F, G, H, I, L, and N) and 7 people labeled it as very important (A, B, J, K, M, N, O, and P).*
6. *Manufactured capital with 9 people labeled it as important (D, E, F, G, H, I, J, K, and L) and 7 people labeled it as very important (A, B, C, M, N, O, and P).*

Out of these six point of information, highest positive labeled is on information about medium-term business prospect of a company with 11 respondents think that this is a very important information for their investment decision making. Medium-term business prospect of a company is an information about company's business strength and opportunities in 3 – 5 years from the reported date.

The other 16 point of information also had positive response from respondents: management report (13 respondents), management discussion and analysis (13 respondents), corporate governance (12 respondents), consolidated financial statement (15 respondents), company's business model (14 respondents), value chain activities (14 respondents), company's value creation (14 respondents), performance measurement (13 respondents), short-term business prospect 1-3 years (15 respondents), long-term business prospect (13 respondents), company's risk and opportunity (14 respondents), financial capital (15 respondents), intellectual capital (12 respondents), social and relationship capital (14 respondents), human capital (13 respondents), and natural capital (14 respondents).

Least positive labeled among this 22 point of information is:
1. *Corporate Governance with four respondents labeled it as unimportant.*
2. *Intellectual Capital with three respondents labeled it as unimportant and one respondent labeled it as very unimportant.*

Respondents also asked to choose 12 out of 22 point of information which they think important (based on priority) for their investment decision making. Table 5 shows the tabular summary of 12 most important information.

Table 5. The Most Important Information

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
financial highlights	x	x	x	x	x	x	x	x	x	x				x	x	x
management report	x	x		x			x		x			x	x	x		
company profile	x	x	x	x	x		x	x	x	x		x	x			
management discussion and analysis	x	x	x	x			x	x					x	x		
corporate governance	x						x	x	x	x					x	x
consolidated financial statement	x	x	x	x		x		x	x	x	x		x		x	x
company's business model		x	x				x	x			x	x	x	x		x
value chain activities					x	x					x		x		x	x
company's value creation (connection between resources)		x		x	x		x				x		x	x		
performance measurement	x	x	x		x		x		x	x	x	x	x	x		x
short-term business prospect (1-3 years)	x	x		x	x	x	x		x	x	x	x	x	x	x	x
medium-term business prospect (3-5 years)	x			x	x	x	x	x	x	x	x	x	x	x	x	x
long-term business prospect (>5 years)				x	x	x	x			x		x		x	x	
company's risk and opportunity	x	x		x	x	x	x				x	x		x	x	
company's strategic focus area: performance and prospects	x	x	x	x	x	x		x	x	x	x	x		x	x	x
operational performance	x	x	x	x		x	x	x	x	x	x	x		x	x	x
financial capital		x			x			x		x		x		x		
manufactured capital		x	x	x	x	x	x		x		x	x				x
intellectual capital		x					x						x			
social and relationship capital												x				
human capital		x													x	x
natural capital					x					x						

DISCUSSION

   The pilot interview taken at the beginning of this preliminary research helps us to discover several phenomena regarding individual investor, their investment decision, and

investor view of integrated reports in Indonesia. We later developing questionnaire in order to taking a good understanding regarding several issue highlighted in pilot interview and to confirming the pattern of individual investor based on findings at the pilot interview stage.

We highlighted several importance topics from pilot interview stage such as, broad type of investor in Indonesia which cannot be generalize based on theory, importance role of financial highlights among individual investor, several investment decision supporting tools used by individual investor, and one of the interesting parts is awareness of integrated report amongst individual investor and their confusedness on it to Annual Report. Our pilot interviewee also aware on the Integrated Reporting as he said Integrated Reporting starts to steal individual investor attention and are mentioned several times in individual investor forum (WhatsApp group, telegram, website forum, etc.) but he is also confused on the difference between Annual Report and Integrated Report.

This preliminary research questionnaire does not explicitly mention integrated report but point out information highlighted in both Annual Report and Integrated Report to present it to respondent aiming to know the value of each information for respondent in making their investment decision. We are using information highlights from Annual Report of one of reputable listed company in Indonesia and Integrated Report of one of a company rewarded "Excellence in Integrated Reporting Awards" by Ernst & Young.

This preliminary research questionnaire shows several interesting findings compare to pilot interview result and literature review. Fifteen respondents out of sixteen are not daily trader (who is known with their risk seeking behavior) they are an individual investor with investment horizon more than a month but less than a year.

These fifteen respondent's portfolios mostly consist of investment which is not routinely traded, and their investment decision making ranging from fundamental analysis, technical analysis, investment guru portfolio, and/or based on analyst report. This could be said that the individual investor in this preliminary result is not a risk seeker, contrast with individual investor's stereotype.

It is also quite interesting knowing that most of the individual investor in this preliminary research is using analyst report as their basis in investment decision making. They are making investment decision based on analyst recommendation. Second highest basis use in investment decision making is fundamental and technical analysis.

This preliminary research questionnaire also confirming the result from pilot interview, as all of the individual investor in this preliminary research think that Financial Highlights is an important information where 8 out of 16 investor think of it as very important and the rest think of it as important. This result is contrast with consolidated financial statement in which one respondent think this information is not important.

Considering the nature of respondents' investment horizon which mostly ranging between a month and a year, this preliminary research shows interesting finding. We highlighted one information from integrated reports which is medium-term business

prospect. This information labelled as very important by 11 individual investors. Considering the portfolio of individual investor in this preliminary research this finding is also interesting. Individual investor with investment horizon more than a month and less than a year took medium-term business prospect (3-5 years) as an important information to support their investment decision making. Another interesting finding is company's strategic focus area: performance and prospects with 8 respondents labeled it as very important. This finding stressing the point in which individual investor with investment horizon less than a year took into account this information in making their investment decision. Manufacturing capital is one of six capitals in integrated reports framework and labeled as important information by 9 respondents and very important by 7 respondents. Other than this information there are company profile and operational performance information which got positive labeled by all of respondents.

CONCLUSION AND RECOMMENDATION

This preliminary research's result concludes that there is a quiet important role of financial analyst and the result of their analysis: analyst report in individual investor investment decision making. This preliminary research also shows that individual investor also taking into account non-financial information to support their investment decision making. Although most of the respondent preferably use analyst report or equity research report in making their investment decision, all of respondents (which also include the user of analyst report) still labeled non-financial information such as company profile, medium-term business prospect (3-5 years), Company's strategic focus area: performance and prospects, Operational Performance, and Manufactured capital as important and very important.

Individual investor in this preliminary research shows interesting pattern on their investment decision making and interesting view on information highlighted in annual report and integrated report. Having us to explore more on these finding.

This preliminary research also shows us the need to conducting interview as data collection method. Questionnaire used as data collection method in this preliminary research having us reveal important and interesting fact yet we cannot dig in deeper as there is no two-way communication between the researcher and the respondent which might be minimize if interview is conducted.

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