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How Does Important Sustainability Reporting for Investment Decision Making?

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Abstract: This study was conducted to examine the importance of sustainability reporting for investment decision making by prospective investors using belief-action-outcome (BAO) theory. This study is a rational investor behavior study in deciding the use of their assets by explaining it using Rational Decision Making Model (RDMM) theory. This study used an online quasi-experimental approach. The respondents of this research were prospective individual investors who understand the use of financial statements to make investments. This research was conducted with two tests. First, test the construct of variables. Second, test the subject's behavior with experiments. As for the experiments carried out two steps namely first, the subjects were given a questionnaire without any sustainability reporting. Second, subjects were given a questionnaire with instructions to read sustainability reporting first. The expected outcome is that investors tend to choose to buy shares of companies that also attach sustainability reports compared to companies without sustainability reports. Investors also tend to be rational in making decisions. This result showed the importance of sustainability report in rational decision making.

Key words : Sustainability Reporting, Belief-Action-Outcome (BAO), Rational Decision Making Model (RDMM), Investment decision

Introduction

Prober, et al. (2015) state that sustainability becomes an important issue for global companies as an effort to integrate the company's environment and social impact into their decision making framework which then conveys the results to stakeholders. Jahdi and Acikdilli (2009) and Romero, et al. (2014) states that sustainability reporting is an important topic for more than two decades.

Demand for environmental, social and government disclosure grows in line with concerns about these issues. At the same time, most government organizations, industries and

companies submit voluntary sustainability reports as projects in creating the image of their social responsibility. With a good image, the company expects a good market reaction so that it can increase the value of the company.

Sustainability report is additional report that is voluntary in nature. Companies are not required to submit this to the public. However, despite its voluntary nature, sustainability reports provide information that may be useful for some users, especially for those who want information about the company's future.

Reporting is ultimately used by to attract investor interest. Marti-Ballester (2015) reveals that ethical investors will be very sensitive to the company's Corporate Social Responsibility (CSR) information. Deegan and Rankin (1997) conclude that shareholders and individuals in organizations will consider environmental information as material in the decisions they make.

Gelb dan Zarowin, et al. (2002) prove that there is a significant relationship between voluntary disclosure (voluntary disclosure) with stock prices. Hales et al., (2016) state that CSR report is based on the company's desire to increase customer satisfaction and quality of performance which then pushes to submit more comprehensive reporting in sustainability reporting.

Rational investor consider the company's prospects in the future and use company information carefully. Information user behavior will be greatly influenced by the information received, so the company needs to frame information that can be trusted (belief), actions (actions) during the process and the impact (outcomes) for the company.

Melville (2010) uses the Coleman's Micro-Macro model or belief-action-outcomes (BAO) theory to see the extent to which sustainability reporting acts as an instrument for delivering information by the company to the user. When a user get benefits from the information, they act as expected by the company. This theory is replicated by Gräuler, et al. (2013) in the form of an experimental approach.

Some studies disagree with studies that state that sustainability reporting will influence investor decisions. Wang, et al. (2011) concludes that the company's Corporate Social Responsibility (CSR) performance is not able to influence individual investors. CSR report provides information that is not entirely useful to stakeholders or as public relations instruments because CSR report is voluntary as stated by Moore and Poznanski (2015). Both opinions indicate that the information contained in the sustainability report submitted by the company is not always considered capable of influencing investors' investment decisions. Therefore, investors must be made to believe with what is conveyed by the company about its social activities and this is expected to change investors' decisions on the information received.

The difference in the results of various studies on the relationship between sustainable reporting and investor decisions raises a research question that is whether sustainability reporting disclosed by companies that can affect investor decisions based on BAO theory. The purpose of this study was conducted BAO theory test for investment decision making for potential young investors using a quasi-experimental approach. This study also

used a rational decision-making model to test the ability of participants in making rational decisions based on presented information.

Laing (2013) Examines investment decisions through experiments using the Rational Decision Making Model that concludes that people tend to become risk avoidance if the information presented is negative information. This shows that in making decisions, individuals are influenced by how the information is presented (Kahneman, 2013). This theory was developed from the cognitive fit theory put forward by Vessey (1991).

Submission of sustainability reports in Indonesia is also still voluntary. Whereas social problems and social welfare are crucial issues, as well as environmental problems. As a country with rich natural resources and potential mineral resources, Indonesia is very vulnerable to natural damage. The destruction of nature not only threatens to lose the source of life but also threatens the survival of future generations. The participation of private sector companies and SOEs is very important in efforts to overcome these social and environmental problems. This research can also be used as input to the government to formulate rules so that sustainability reports can be required for companies and becomes an equally important part of the financial statements.

This research is very important to do because of the large social impacts and environmental changes that occur because of company activities. Companies as economic agents have long-term interests in the social environment of the community. Not only for the company's image, commitment to social and environment will also reduce losses that cannot be ascertained. In addition, potential investors consider companies with low social and environmental commitment to reflect the company's low ability to commit the investor confidence.

The expected result is that investors believe the reports submitted by the company and make investment decisions on the company so that the company gets the benefits. The result of this study is expected to add the literature on environmental accounting and mining accounting especially to improve the quality of sustainable reporting as a form of corporate responsibility towards the surrounding environment.

This article is divided into several parts and the first part is an introduction. The second part will describe the theories used and the development of hypotheses. The third part is part of the research method that will be used in this study. The fourth part is methods that used and the last part is result and conclusion.

Literature Review

Sustainability Reporting

Sustainability reporting (SR) is initially based on public awareness of environmental and industrial health considered as the biggest cause of environmental damage. Milne and Gray (2012) suggest that sustainability reporting or triple bottom line reporting or also known as corporate social responsibility is a three part reporting framework that highlights the economic, environmental and social performance of an organization in addition to financial performance. The concept of sustainability reporting is initially based on the awareness of

the importance of increasing economic activities without damaging the environment for the lives of future generations.

Conceived by John Elkington then is actively introduced by an independent organization, the Global Reporting Initiatives (GRI) that publishes guidelines in preparing sustainability reporting during 1997. The GRI Guidelines is used to measure and disclose results-oriented performance (both negative and positive) of an organization that considers various global issues regarding income, labor and ecological gaps in making management decisions.

GRI assesses approximately 800 companies from 53 countries based on the guidelines. The guideline is used as a guide or map of key instructions in preparing a sustainability report that is useful for investors. The following guidelines are used in preparing sustainability reporting:

Table 1. **GRI Guidelines**

<i>Exhibit 1: GRI or G4 Sustainability Reporting Guidelines</i>
<i>Economic</i>
<i>EC3: Cost of all goods, materials, and services purchased</i>
<i>EC5: Total payroll and benefits (including wages, pensions, other benefit, and redundancy payments) broken down by country or region</i>
<i>Environmental</i>
<i>EN2: Percentage of materials used that are wastes (processed and unprocessed) from sources external to the reporting organization</i>
<i>EN3: Direct energy usage segmented by primary sources</i>
<i>EN8: Greenhouse gas emissions.. (see WRI-WBCSD Greenhouse Gas Protocol)</i>
Sources: GRI G4 Guidelines 2013

Through sustainability reporting, the organization conveys its non-financial performance and consequences on the economy extensively. The aim is to let investors know about the risks that are likely occurred as a result of the organization's non-financial performance. GRI also compiles guidelines on the impacts caused by these economic activities as follows:

Table 2. **Impacts Activities**

<i>Exhibit 2: TBL Impact (Environmental and Societal)</i>
<i>Environmental Impacts</i>
<ul style="list-style-type: none"> • <i>Company's Effecton Air Quality and/or Water Quality: Does the company have smokestacks, belching toxic fumes into the air? Does the manufacture of its products create hazardous waste?</i> • <i>Energy Use: What is the carbon footprint of the company? How much electricity does it use to power its offices and factories? How much fuel does it use for its vehicles?</i> • <i>Product Life Cycle: What happens when cunsumers are done with a company's products? Do the materials break down over time, or they can berecycled? Dose diposal of produk pose a significant threat to the environment</i>
<i>Social Impacts</i>
<ul style="list-style-type: none"> • <i>Labor Practices: How does a company treat its employees? How do the suppliers and vendors that the company hires treat their employees (i.e., are they using sweatshops)</i> • <i>Human Rights: Is the company involved in practices-directly or indirectly (via., relationships with governments)-that result in political oppression, torture, or other human rights violations?</i>
Source: GRI Guidelines 2013

Investment Decision

Faux (2012) states that decision usefulness is the basis for the purpose of accounting reporting, namely as a form of accountability. Decision usefulness determines how information is disclosed and the consequences for information users. Decisions useful in investing depend on the information provided and investor behavior.

Sustainability report contains some important information regarding economic, environmental and social. Economic information includes several aspects of wages and benefits, job creation, expenses for research and development, investment in training, human capital and traditional financial information. Environmental information contains activities and their impacts on air, water, soil, biodiversity and human health. Whereas social information reveals information about workplace health, workers' rights, human rights and differences, wages and working conditions (Leszczynska, 2012).

The study from Nilsson (2008) indicates that each investor has a different view of corporate social responsibility information. Individual values become significant and important factors in making ethical individual decisions (Hassan et al. 2015). Glac (2009) says that well-framed social information will likely influence investor decisions. Godfrey et al. (2009), Luo and Bhattacharya (2006) and Watts (2015) conclude that companies committed to CSR activities can create more value for their shareholders in long term.

Belief-Action-Outcomes (BAO) Theory

The belief-action-outcomes theory is based on the Coleman's Micro-Macro Model theory that is adapted by Melville (2010). This model emphasizes the role of individuals associated with macro level variables such as social structure and social system behavior. Three types of relationships are :

- 1) Macro level variable as a social structure that influences the psychic of individuals (beliefs, desires, opportunities and others)
- 2) Psychics that influence individual action; and
- 3) A combination of individual actions that affect macro-level variables

This theory is later adapted by Melville (2010) into a framework of belief-action-outcomes that is used for information systems research in the sustainability report. The BAO framework postulates that society and organizational structures can form individual beliefs about the environment that are likely to be translated into sustainability actions (Molla, et al. 2014). Furthermore, Gräuler, et al. (2013) design the BAO research model by building models and designing outlines in detail as follows :

Table 3. **BAO Variable**

Variable	Definition
<i>Belief</i> (<i>quality indicators</i>)	The contents in the sustainability report (SR) contribute to the quality desired by the audience without reading the report (observance of rules, external certification, availability of information in KPI calculations and ranking)
(<i>expected benefits</i>)	Participant's perception in concluding useful information from SR

<i>(willingness to read)</i>	the rate at which participants tend to read SR
<i>Green attitude</i>	participant level focuses on the environment
<i>(disposition of trust)</i>	level of participants easily trusts others
<i>Computer self-efficacy</i>	participant computer skills
Action	
<i>(duration)</i>	the time needed to perform SR assignments
<i>(response quality)</i>	average success in resolving SR reading problems
Outcomes	
<i>(trust)</i>	Participant subjects were sure that the information presented in SR could be trusted
<i>(confirmation of benefits)</i>	participant's expectation is as expected, missed
<i>(satisfaction)</i>	a statement that represents an emotional reaction to the overall SR reading experience
<i>(corporate image)</i>	company perception that is influenced by company activities in producing products, services, attitude (corporate culture) and behavior
<i>(impact on following actions)</i>	the desire of participants to interact with company reporting after reading SR (such as buying or recommending products, investing or working in a company)

Source : Gräuler et al. 2013

Rational Decision Making Model

Rational Decision Making Model Is based on the cognitive fit theory introduced by Vessey (1991) who states that a person's decision is greatly influenced by the way the information conveyed. Marwala (2015) defines rational decision making as the process of making decisions using some of the information collected and one's intelligence with the aim of making optimal decisions.

Teets et al., (2010) state that cognitive fit theory is a theory used to explain how a person solves a problem by using appropriate solutions to the problem. Based on the theories that have been mentioned, rational decisions are one form of use of individual cognitive abilities in making expected decisions.

Kehman (2011) and Kehman and Tversky (1979) name rational decision theory with the name prospect theory (Prospect Theory) which is a theory used to explain a person's ability to make decisions based on various considerations. In prospect theory it is said that under conditions of uncertainty, individuals tend to avoid risk (Fox and Poldrack, 2009; Kaustia, 2010; Hens and Vlcek, 2011).

The conclusion of rational decision theory if it is related to investment decisions, it can be said that rational investors use sustainability reporting to avoid unexpected risks because of company activities. By using sustainability reporting information, investors tend to make satisfying decisions.

Hypothesis Development

The results of experiments conducted by Gräuler et al. (2013) indicate that sustainability reports delivered in a sophisticated and in accordance with the expectations of the reader will have a significant impact on the company's image and readers' actions. The reader's action can be in the form of a desire to buy and recommend products, investment and others. These actions-outcomes emphasize individual behavior. When investors behave biased, for example investors who have a mental accounting that is inclined to make a profit, investors tend to become irrational (Jain, et al. 2015).

Bauer dan Smeets (2015) state that every conventional investor uses their beliefs on ethical issues, perceptions of moral intensity and investment decision-making styles differently. While Hofmann, et al. (2008) conclude that moral considerations influence investment decisions as a form of control over profits. In summary based on the description above it can be said that when a company is able to convince investors on what has been done by the company as a form of ethical and moral responsibility, then the investor will act in accordance with the purpose of the information.

Sustainability reporting is a management tool to convey information. Quality information according to Boiral et al., (2017) must meet the criteria including the information submitted must be balanced, comparable, accurate, timeliness, clear and reliable (reliability). Quality will affect trust, the more quality of the information, the higher the trust of users (McKnight et al., 2017; Keith et al., 2011).

Gräuler (2013) argues that the sustainability reporting quality indicator is the compliance with the guidelines contained in the Sustainability Reporting G3 Guidelines, external certification as an external professional appraiser, information about the performance index and ranking conducted by independent institutions regarding the company's sustainability performance. Information in quality sustainability reporting will provide useful information for current and future decisions. The resulting decision is a form of user confidence in the report presented by the company. Based on the above arguments, the first hypothesis is stated as follows:

H1: Quality has positive impact on trust

Information will be useful if gives the advantage to the users. When users feel that the information presented is useful, it encourages the willingness to read the information carefully (Kim et al., 2009; Oliver, 1980). Users with high expectations of sustainability reporting presented will increase their desire to read reports (Gräuler, 2013). When someone wants to invest in a company, then the individual will look for information that is convincing so they don't make mistakes. With this argument, the next hypothesis is stated as follows:

H2: Benefit expected has positive impact on willingness to read SR

The expected benefits must be confirmed means that what is expected should be realized. Gräuler (2013) hypothesizes the expected benefits negatively affect the benefits that are confirmed or it can be said that the expected benefits do not occur. The test results show the hypothesis was rejected. While Bhattacharjee (2001) states that user satisfaction is determined by the expected benefits and the benefits are confirmed. This shows that the

expected benefits may not be realized as desired, but when the user gets the expected benefits will increase satisfaction so that the next hypothesis is formulated as follows:

H3: Benefit expected has positive impact on user satisfaction

H4: Confirmed benefit has positive impact on user satisfaction

Trust is interpreted as an individual's subjective belief in the information presented can be trusted (Gräuler, 2013). Lam et al., (2016); Chen (2009) and Singh and Sirdeshmukh (2000) state that satisfaction is a cognitive mechanism that comes from expectations and is confirmed based on service performance. This means that if individuals trust the information presented by the company and the results are in accordance with the expectation then the individual has achieved satisfaction. Based on this argument the following hypothesis is stated:

H5: Trust has positive impact on user satisfaction

Impacts on the following actions (impact to following actions) are interpreted as the expectation of participants to interact with company reports or after reading the report (Gurhan-Canli and Batra, 2009; Helm, 2007; Gräuler, 2013). This means that after reading sustainability reporting, the individual takes the next action such as buying a product or investing in a company. It also shows that the individual is satisfied with the company's performance and creates a good corporate image. The company's image becomes very important in influencing one's decisions (cognitive). The following hypothesis can be stated as follows:

H6: Satisfaction has positive impact on company image

H7: Satisfaction has positive impact on next action

H8: Satisfaction has positive impact on next action through company image

Bond et al. (2016) argue that impacts on the following actions (impact to following actions) are interpreted as the desire of participants to interact with company reports or after reading the report (Gurhan-Canli and Batra, 2009; Helm, 2007; Gräuler, 2013). This means that after reading sustainability reporting, the individual takes the next action such as buying a product or investing in a company. It also shows that the individual is satisfied with the company's performance and creates a good corporate image. The company's image becomes very important in influencing one's decisions (cognitive). The following hypothesis can be stated as follows:

Although information from sustainability reporting is useful for reaching rational decisions, individual rationality tends to be limited by cognitive abilities. Kahneman and Tversky (2013) state that rationality is built from experience and someone tends to avoid risk rather than take risk.

Laing (2013) states that information submitted with good framing (framing) will affect the final results of a decision. Thus that individuals with sufficient knowledge and experience will help in making decisions even because of cognitive limitations, individuals will more easily make decisions if the information conveyed is detailed so as to avoid it from investment losses.

H9: There is different decision taken before subject taken and after reading sustainability reporting

Methods

This research was a quasi experimental study. Experiment was chosen because this type of research emphasizes aspects of the causal relationship between variables studied and tested a theory (Nahartyo and Utami, 2015). Experimental research also calls for the full involvement of researchers in providing treatment in experiments. This research is also superior in internal validity (Neuman, 2011).

The research subjects were students of the Faculty of Economics, Bangka Belitung University who were randomly selected. Faculty of Economics students were chosen as subjects because they were considered as potential young rational investors. They have experience in investing because they are all required to buy some shares from the Indonesia Stock Exchange investment gallery as one of the lessons for new students. To choose a subject in this research, it is done by announcing to anyone who is willing to become a participant to the entire faculty. The number of participants is limited to 100 people according to the results of sampling based on the following Slovin formula:

$$n = \frac{N}{1 + Ne^2}$$

$$n = \frac{1.081}{1 + 1.081 (0,1)^2}$$

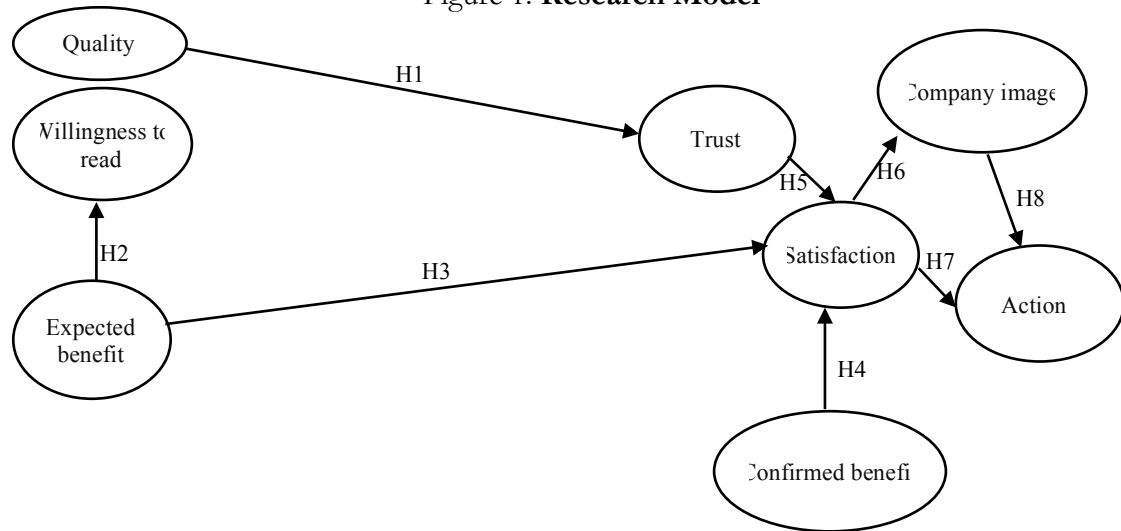
$$n = 91 \approx 100$$

This study used two research designs namely the first test the construct of research variables and the second to test the subject's behavior with experiments. Constructor testing is carried out to test constructs that are built based on hypotheses that have been formulated and see the effect between exogenous, endogenous and intervening variables.

Second, this study used an experimental approach to examine the subject's behavior making investment decisions. The experimental scenario is carried out by:

1. The team invites the subject by announcing through social media groups to fill out forms <https://goo.gl/forms/CrIP7E2VJvXFtvmi2>
2. The team chose 292 people who had filled out the form randomly according to the number of samples determined in this study
3. Subjects selected are invited back to participate in an experimental session in the computer laboratory / class of the Faculty of Economics
4. The experimental session is divided into two namely the first session, the subject answers the list of questions that have been given without attaching sustainability reporting. The second session was a treatment session where respondents were given sustainability reporting to read. After reading, the subject is then asked to fill out the same list of questions.
5. *Sustainability reporting* is divided into two ways of presentation, namely presented in the form of reports that have a lot of writing (SR in general) and presented in the form of graphics and figures.

Figure 1. **Research Model**



Data analysis was performed by some stages :

1. *Pilot Test*

Pilot test is used to test the instrument with the aim to obtain a good instrument that meets the criteria of validity and reliability. used to test the instrument with the aim to obtain a good instrument that meets the criteria of validity and reliability.

2. *Validity and Reliability*

After the pilot test, the instrument will be used. Furthermore, to test the validity, each indicator will be analyzed using Akarena because the variable used is an unobservable variable. If the Average Variance Extracted (AVE) value of the test >> 0.5, the variable is eligible to be used for further analysis. Reliability will be tested with Composite Reliability (CR), if the value is > 0.7 then the data can be said to be reliable.

3. *Hypothesis*

The hypothesis will be tested using SEM with PLS and ANOVA approaches. The aim is to form fewer components (or new variables) that explain as much as possible, the variance of the independent variables and at the same time be useful for predicting the value of the dependent variable (Gudono, 2015). Data will be processed using PLS software to see the effect between variables and ANOVA to analyze differences between the two groups before and after treatment.

Findings

Instrument Analysis Test

Before questionnaires were distributed, we conducted a questionnaire testing through a pilot test. Testing is done by asking 30 respondents to fill out a questionnaire and its was tested. The pilot test results that all variables valid and reliable.

Questionnaires were distributed to each participant of 100 people through e-learning-based online. Participants were accounting students who have received capital market and middle financial accounting courses. Before being analyzed, the questionnaire was tested for reliability and validity by analyzing composite reliability and average variance extracted to

measure the reflective model. There are three criteria in testing convergent validity including (Gruher, 2013):

1. The minimum value of Cronbach's Alpha according to the criteria of Nunnally and Bernstein (1994) is 0.7
2. The minimum Composite Reliability (CR) value according to Hair et al. (2006) 0.7 that indicates consistency of internal validity
3. Minimum Variance Extracted (AVE) minimum values according to Fornell and Lareker (1981) indicate that items are able to explain variance

Table 4. **Reability and Validity Analysis**

Variable	Means	Deviation Standard	Composite Reliability	AVE
Quality	3,058	.358	.870	.389
Willingness to read	3,222	.421	.805	.603
Benefit expected	3,272	.382	.702	.516
Trust	3,413	.434	.753	.505
Satisfaction	3,060	.403	.682	.424
Confirmed Benefit	3,370	.401	.731	.477
Company Image	3,220	.424	.817	.599
Action	2,987	.469	.665	.830

The questionnaire was tested with factor analysis using varimax rotation to see how many factors were formed. After obtaining the factor value of each item, the CR and AVE values were calculated. Table 5.1 indicates that Quality has the highest reliability value and Action is the highest validity variable. All questionnaires can be declared reliable that is indicated by a composite reliability value of more than or equal to 0.6, while AVE was more than 0.5 which indicates that the instrument indicators were valid.

Hypothesis Test Analysis

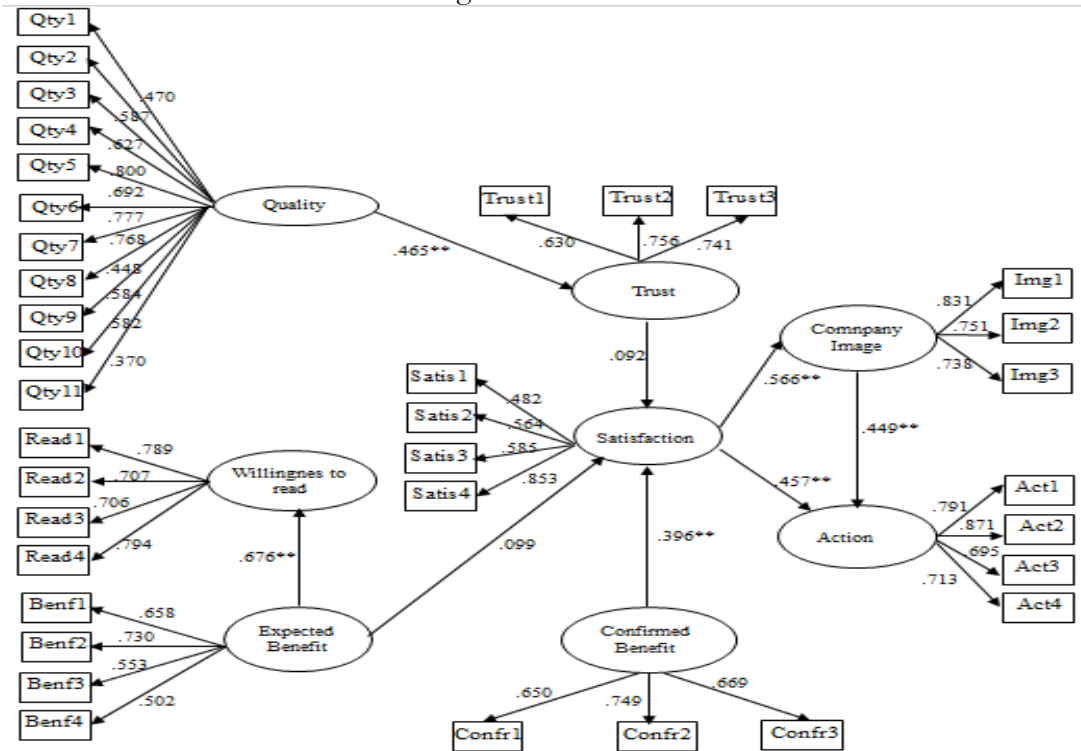
Hypothesis test was done by bivariate correlation, path analysis and paired tests. We used bivariate correlation done by testing the correlation between variables. The results showed that the confirmed action and benefit variables have the highest correlation of 0.690. This indicated that people behave if it is perceived that the information has benefits.

Other variables that also have a high correlation were corporate image variables and confirmed benefit variables. Companies that have a good image will be considered to be selected by investors, it means that companies with such images make investors believe that investing some funds into the company is not a mistake. Whereas the variable that has a low even negative correlation is the expected benefit variable and the confirmed benefit as shown in Table 1.5. This implies that what is expected by someone has not happened in accordance with their wishes. Reading the sustainability report of a company may not necessarily be concluded that we get information which then becomes the reason for someone to take certain actions.

Table 5. Bivariate Correlation Analysis

		Trust	Quality	Willingness to read	Expected Benefit	Confirmed Benefit	Satisfaction	Action	Company Image
Trust	Pearson Correlation	1	.465**	.311**	.374**	.105	.149	.025	.025
	Sig. (2-tailed)		.000	.002	.000	.298	.138	.803	.803
Quality	Pearson Correlation	.465**	1	.660**	.687**	.053	.088	.082	.082
	Sig. (2-tailed)	.000		.000	.000	.600	.386	.417	.417
Willingness to Read	Pearson Correlation	.311**	.660**	1	.676**	.061	.148	.025	.025
	Sig. (2-tailed)	.002	.000		.000	.549	.141	.807	.807
Expected Benefit	Pearson Correlation	.374**	.687**	.676**	1	-.016	.132	.011	.011
	Sig. (2-tailed)	.000	.000	.000		.872	.192	.916	.916
Confirmed Benefit	Pearson Correlation	.105	.053	.061	-.016	1	.302**	.690**	.690**
	Sig. (2-tailed)	.298	.600	.549	.872		.002	.000	.000
Satisfaction	Pearson Correlation	.092	.039	.017	-.099	.396**	1	.457**	.566**
	Sig. (2-tailed)	.361	.699	.865	.329	.000		.000	.000
Action	Pearson Correlation	.149	.088	.148	.132	.302**	.449**	1	.449**
	Sig. (2-tailed)	.138	.386	.141	.192	.002	.000		.000
Company Image	Pearson Correlation	.025	.082	.025	.011	.690**	.449**	.449**	1
	Sig. (2-tailed)	.803	.417	.807	.916	.000	.000	.000	

Figure 2. Model Path



Ket: ** significant at the level < 5%

Quality related to certification, KPI and ranking has a significant effect on trust (0.465 **). The benefit expected by investors to increase the willingness to read sustainability reporting was indicated by a value of 0.676 ** with a significance of 0.000, otherwise the expected benefits do not affect satisfaction. The trust variable also did not indicate an influence on satisfaction (0.092). While confirmed benefits affect satisfaction by 0.396 **. The results show that H₁, H₂ and H₄ are supported.

The test results benefit expected no effect to satisfaction with an R value of 0.099, significant more than 0,05. We did not find the effect of the variable of trust to satisfaction which the R value of 0.092 or not significant. This confirms that H₃ and H₅ are not supported.

Based on the results of the analysis note that satisfaction affected the image of the company with a large value of R = 0.566 that was significant at 0,000. Satisfaction also affected actions with an R value of 0.396 **. The last variable that had a significant effect that was the company image variable that influences actions with an R value of 0.449, significant at 0.000. The results show that H₆, H₇ and H₈ are supported.

We tested Hypothesis 9 using the ANOVA Paired Sample t-test that was to test before and after reading sustainability reporting (treatment). The results of data analysis showed that t count (31.932) was greater than t table (1.984) with a significance of 0,000 that means there was a difference between before and after treatment. This show that people will make better decisions if given complete and reliable information and H₉ are supported.

Table 6. Paired Sample t-test

		Paired Differences	t	df	Sig. (2-tailed)
		95% Confidence Interval of the Difference			
		Upper			
Pair 1	Before reading- After reading	27.5094	31.932	99	.000

Discussion

The quality of sustainability report will affect investor confidence. According to Investor, Quality report is report that is certified by expert bodies, have a good ranking and produce good Key Performance Index (KPI). These three indicators indicate that sustainability reporting is well structured in accordance with established standards so that investors believe that the report is useful information for making material decisions.

Someone who decides to master something certainly has hope. To meet these expectations, people will try to do a certain behavior. Likewise, when someone wants to buy a company's stock, the hope is to get a maximum return from the minimum amount he has invested. Based on the test results concluded that the expected benefits affect the desire to read. This shows that investors who expect maximum returns try to find out as much information about the company they want to buy their shares. This study is in line with the research of Kim et al., 2009 and Oliver, 1980.

Opposite to the results of hypothesis 2 testing, the hypothesis which states that the expected benefits affect the satisfaction after the test results cannot prove the existence of influence between the two variables. A expectation may not be realized so it may not necessarily affect one's satisfaction. The results of the study by Bhattacharjee (2001) also provide different conclusions from this study.

When someone's trust in an object or subject is high, he will achieve a high level of satisfaction. Lam et al., (2016); Chen (2009) and Singh and Sirdeshmukh (2000) state that satisfaction is the final result of meeting expectations and performance. If the company is able to present a reliable and relevant sustainability report, investors will trust the report as reliable and appropriate information as expected.

Benefit that is confirmed by individuals who feel the benefits (not just expectations) of an information certainly feel certain satisfaction. So after reading sustainability report, potential investors believe that the company selected is a profitable company and has a going concern in the future by paying attention to aspects of the surrounding environment. However, it is not certain that prospective investors will take certain actions until the satisfaction affects the company's image.

The results of testing the effect of satisfaction on actions get the conclusion that satisfaction influences someone taking action and in this case, the act is investing. When an individual is satisfied with the company's performance reflected in how the company forms a characteristic image, then he will do two important things, namely maintain his contribution to the company (for old investors) or buy or increase investment. The results

of this study were in line with research conducted by Gurhan-Canli and Batra, 2009; Helm, 2007; Gräuler, 2013.

The results of the study concluded that the BAO model was able to explain the reasons for people to invest. when the company is capable of quality, then people believe he will find out about the company. after finding out, he was satisfied with the information obtained. If satisfied, he will take action in accordance with what is expected by the company. If the better decision taken, it makes the company's value to be better.

Human nature is fear because fear makes someone careful in taking an action or tendency to avoid risk (Kahneman and Tversky, 2013). To reduce risk, people gather various information before making a decision. By reading sustainability reporting, potential investors get more detailed information about the company's activities. Likewise what is stated by Bond et al. (2016) and Aharoni et al. (2010) in its conclusion.

Conclusion

This study was conducted to test BAO Model theory for investment decision making for potential investors. The BAO model stands for Belief, Action and Outcome. Before making certain decisions, potential investors must get detailed information about company activities. With this information, potential investors are convinced that the performance of the company chose does not harm themselves. Good company performance certainly creates a good corporate image and gives satisfaction to potential investors and this is the basis to take certain actions.

This research was conducted on young prospective investors who have the ability to think rationally because they are considered to have proper knowledge to decide on something with regard to the risks that exist. However, this research has not been able to configure the real phenomenon if the decision makers are "old players" or investors who already have securities in the go public company . This study can also get results and conclusions that are different from if it is done on experienced investors.

Sustainability reporting usually presents very detailed information so that many pages of reports make investors often neglect to read them. The advice that can be given is to control the subject based on framing theory such as presenting information from the sustainability report better, short and concise so that it is easier to understand without having to bother reading it for up to dozens of pages.

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