

GCG, Corporate Characteristics, Financial Distress As A Determinant Of Extensive Voluntary Disclosures

Indri Kartika¹, Icca Pramadila², Maya Indriastuti³

Dept. of Accounting, Faculty of Economics, Universitas Islam Sultan Agung, Semarang, Indonesia^{1,2,3}

Abstract. *The existence of a conflict of interest between the principal and the agent causes information asymmetry. Information asymmetry is the imbalance of information held between the principal and the agent. This information asymmetry can be minimized by the disclosure of additional information in the annual report, namely by voluntary disclosure. GCG factors, company characteristics, and financial distress are predicted to influence the extensive voluntary disclosure. This study aims to examine the effect of ownership dispersion, financial distress, the board size, CEO duality and age of listings on the extensive voluntary disclosure. Data population are basic and chemical industry companies listed on the Indonesia Stock Exchange for the 2015-2018. A purposive sampling was used as method and obtained 160 samples. This study used secondary data from annual reports. Data were analyzed by using the Multiple Linear Regression Analysis method. This study found that Ownership Dispersion and Size of the Board of Commissioners have a significant positive effect on Extensive Voluntary Disclosure. Whereas Financial Distress, CEO Duality, and Age of Listing have no significant effect on Extensive Voluntary Disclosure.*

Keywords. *Corporate Characteristics; Financial Distress; GCG; the Extensive Voluntary Disclosure.*

Abstrak. Adanya konflik kepentingan antara principal dan agen menyebabkan terjadinya asimetri informasi. Asimetri informasi adalah ketidakseimbangan informasi yang dimiliki antara principal dan agen. Asimetri informasi ini, dapat diminimalisir dengan diungkapnya informasi tambahan dalam laporan tahunan yaitu dengan pengungkapan sukarela. Faktor-faktor GCG, karakteristik perusahaan dan *financial distress* diprediksi dapat mempengaruhi luas pengungkapan sukarela. Penelitian ini bertujuan untuk menguji pengaruh *ownership dispersion*, *financial distress*, ukuran dewan komisaris, *CEO duality* dan umur *listing* terhadap luas pengungkapan sukarela. Populasi data adalah perusahaan industri dasar dan kimia yang terdaftar di Bursa Efek Indonesia periode 2015-2018. Pengambilan sampel menggunakan metode *purposive sampling* dan diperoleh 160 sampel. Penelitian ini menggunakan data sekunder dari laporan tahunan. Data dianalisis menggunakan metode Analisis Regresi Linear Berganda. Hasil penelitian ini menunjukkan bahwa *ownership dispersion* berpengaruh positif signifikan terhadap luas pengungkapan sukarela, *financial distress* berpengaruh positif tidak signifikan terhadap luas pengungkapan sukarela, ukuran dewan komisaris berpengaruh positif signifikan terhadap luas pengungkapan sukarela, *CEO duality* berpengaruh positif tidak signifikan terhadap luas pengungkapan sukarela dan umur *listing* berpengaruh negatif tidak signifikan terhadap luas pengungkapan sukarela.

Kata Kunci. *Financial Distress; GCG; Karakteristik Perusahaan; Luas Pengungkapan Sukarela.*

Corresponding author. Email: indri@unissula.ac.id¹, iccapramadila@gmail.com², maya@unissula.ac.id³

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INTRODUCTION

In the era of globalization, relevant, complete, accurate and easily understood information is needed to support smooth decision making. Information revealed is related to the business continuity of a company and the returns expected by investors for investments in the company (Vernando & Halmawati, 2016). Information needed by investors and other stakeholders can be presented in the form of

an annual report. Information needed by investors and other stakeholders can be presented in the form of an annual report. The annual report is a report on the progress and achievements achieved by an organization or company in a year. Information disclosed in the annual report can be divided into two; Mandatory Disclosure and Voluntary Disclosure.

Jensen & Meckling (1976) revealed that in an agency relationship there is a

contract in which one or more people (principal) order another person (agent) to perform a service on behalf of the principal and authorize the agent to make the best decisions for the principal. Agency problems arise when the principal finds it difficult to ensure that the agent acts to maximize the principal's welfare (Yushita, 2010). Agents have more information about their capacities, work environment and the company as a whole. Meanwhile, the principal does not have sufficient information about the agent's performance. When not all circumstances are known to all parties this causes information asymmetry, namely the imbalance of information held between the principal and the agent. According to agency theory, one way that is expected to align principal and agent goals is through a reporting mechanism. With the existence of voluntary disclosure is expected to reduce the information asymmetry.

According to agency theory, the existence of conflicts of interest between principals and agents within the company can be minimized by the disclosure of additional information in the annual report, namely by voluntary disclosure (Allegrini & Greco, 2013). Voluntary disclosure is a disclosure that exceeds the minimum requirements for applicable reporting standards that are not mandatory, the company will usually take into consideration the benefits and costs arising from voluntary disclosure (Vernando and Halmawati, 2016). Jaya et al., (2016) states that voluntary disclosure is disclosure that is free for company management to provide other information that is considered relevant in making decisions by users of the annual report. Voluntary disclosure is made by a company outside the requirements set by accounting standards or regulatory bodies (Soewardjono, 2014). Although this disclosure is not required, voluntary disclosure in the company's annual report is made to minimize and control conflicts of interest between shareholders, creditors and management. So, it can be concluded that voluntary disclosure is the achievement of information that is not required to be

disclosed by management with the consideration of which information is considered to be helpful in decision making and useful to minimize information asymmetry (Hamrouni et al., 2015).

One of the problems related to disclosure in the company was discussed in one of the online news <https://bisnis.tempo.co> on April 21, 2019, regarding PT. Garuda Indonesia (Persero) Tbk. The state-owned airline PT. Garuda Indonesia (Persero) Tbk, was asked to be more transparent in explaining its financial statements which had become polemic. In this case, what needs to be clarified is the realization of transactions which then give rise to claims (receivables) so that they can be included in revenue. This is what needs to be disclosed to the public whether the recording of accounts receivable is in accordance with the standard.

Research on company characteristics as factors that influence the extensive disclosure has often been conducted, but not much of them also examines company characteristics, GCG, and financial distress as factors that can influence the extensive voluntary disclosure at the same time. In addition, previous research on the factors that influence the extensive voluntary disclosure reveals inconsistent results. Ownership Dispersion is one of the factors that influence the extensive voluntary disclosure. Ownership dispersion is the distribution of the portion of share ownership of publicly owned companies (Vernando & Halmawati, 2016). Vernando & Halmawati (2016) prove that ownership dispersion has a significant positive effect on the extensive voluntary disclosure. Whereas research conducted by Oktriani & Arza (2018) proves that ownership dispersion does not have a significant positive effect on the extensive voluntary disclosure. Research conducted by Oktriani & Arza (2018) is in line with research conducted by Wardani (2011). Furthermore, Nany (2012) found that public shares did not have a significant negative effect on the extensive voluntary disclosure.

Another factor that is predicted to influence the extensive voluntary disclosure is Financial Distress. According to Kuncoro & Agustina (2017), financial distress is the initial stage before the occurrence of bankruptcy or liquidity due to a decline in financial conditions. Research conducted by Indriani (2014) shows that financial distress has a significant negative effect on the extensive voluntary disclosure. Whereas Poluan & Nugroho (2015) and Vernando & Halmawati (2016) find that financial distress does not have a significant positive effect on the extensive voluntary disclosure.

The size of the Board of Commissioners is also predicted to influence the extensive voluntary disclosure. The board of commissioners is part of the organ of the company that has the duty and responsibility collectively to conduct supervision and provide advice to directors and ensure that the company implements GCG (KNKG, 2006). The size of the board of commissioners is a large number of the board of commissioners in a company. The more the number of the boards of commissioners in a company, the possibility of disclosure of financial statements is even broader, because of the large number of boards of commissioners, the increase in supervision also in the company. Poluan & Nugroho (2015) prove that the size of the board of commissioners has a significant positive effect on the extensive voluntary disclosure. However, research conducted by Rafifah & Ratmono (2015) shows the results that the size of the board of commissioners has no significant positive effect on the extensive voluntary disclosure.

In addition, CEO Duality is also predicted to influence the extensive voluntary disclosure. CEO Duality is someone who has 2 positions at once, as Chairman of Board (Board of Commissioners) and Chief Executive Officer (Board of Directors) in a company as stated by Booth, Cornett and Tehranian (2002). The presence of CEO Duality in the company will be a conflict of interest where the CEO who is responsible for the overall corporate strategy is also involved in a

position to evaluate the strategy (D'aveni & Finkelstein, 1994). Al-Janadi, Rahman & Omar (2012) prove that the separation of CEO and Chair has a significant negative effect on the extensive voluntary disclosure. It means, companies with CEO duality provide more information than companies with the separation of the two positions. Whereas Allegrini & Greco (2013) found that CEO duality has no significant negative effect on the extensive voluntary disclosure.

Furthermore, the factor predicted to influence the extensive voluntary disclosure is the age of listing. The age of a company listing is how long the company is listed on the IDX as a publicly-traded company (Vernando & Halmawati, 2016). The longer the company's life, the company will likely increase the extensive voluntary disclosure. As the company is considered experienced and already knows what should be disclosed in its annual report. Previous research conducted by Hidayat (2017) proved that the age of listing had a significant positive effect on the voluntary disclosure index. Whereas Vernando & Halmawati (2016) found that Age of Listing had a significant negative effect on the extensive voluntary disclosure. This study is in line with research conducted by Wardani (2011) that the age of the Company has a significant negative effect on the extensive voluntary disclosure.

Finally, the results of this study are expected to contribute to academics in developing future research. Also, this research can enrich references in the field of accounting, especially regarding extensive voluntary disclosure information.

Ownership Dispersion and Extensive Voluntary Disclosure

Ownership Dispersion is ownership of shares by the community. Ownership dispersion means that the public also owns a company for a portion of its shares (Booth & Chua, 1996). The greater the percentage of shares owned by the public, the greater the public's control over company policy. Thus, the public requires more disclosure of information from the company concerned to monitor existing developments (Putri et al.,

2015). Several empirical studies have examined the relationship between Ownership Dispersion and extensive voluntary disclosure. Vernando and Halmawati (2016) and Nainggolan (2017) prove that Ownership Dispersion has a significant positive effect on the extensive voluntary disclosure. Based on the description above, the hypothesis can be proposed as:

H1 : Ownership Dispersion has a significant positive effect on the extensive voluntary disclosure.

Financial Distress and Extensive Voluntary Disclosure

Kuncoro & Agustina (2017) define financial distress as a stage of decline in financial conditions experienced by companies, which occurred before bankruptcy or liquidation. Based on Agency theory, companies that experience financial distress will present more information to the public to reduce the burden that will occur in the future and avoid bankruptcy (Gantjowati & Nugraheni, 2014). However, when the company is in a healthy financial condition, the company manager will convey information with more confidence because this condition can increase the value of the company. Research conducted by Immanuel & Muid (2015) found that Financial Distress has a significant negative effect on the extensive voluntary disclosure. Based on the statement above, the hypothesis can be formulated as:

H2: Financial Distress has a significant negative effect on the extensive voluntary disclosure

Size of Board of Commissioners and Extensive Voluntary Disclosure

Corporate Governance in Indonesia is generally centered on the board of commissioners because the main task of the board of commissioners is to oversee and evaluate policymaking and provide advice to the board of directors on the implementation of the policy. The greater the board of

commissioners in a company, the supervision, evaluation, and implementation of policies by the directors will be more qualified so that the implementation can be in line with company objectives (Poluan & Nugroho, 2015).

A large number of members of the board of commissioners are considered to be able to increase the extensive voluntary disclosure. A large number of commissioners can reduce the possibility of information asymmetry because they can contribute more to reducing distribution conflicts between agents and principals as stated by Chen & Jaggi (2000). Poluan & Nugroho (2015) prove that the size of the board of commissioners has a significant positive effect on the extensive voluntary disclosure. Based on the description above, the hypothesis can be formed as:

H3 : The size of the Board of Commissioners has a significant positive effect on the extensive voluntary disclosure

CEO Duality and Extensive Voluntary Disclosure

CEO Duality is someone who has two positions in one company, as a Board of Commissioners and a Board of Directors. In Agency Theory, CEO Duality can reduce the monitoring role of the board of directors over executive managers, so that it will have a negative impact on company performance (Elsayed, 2007). CEO is the role responsible for the company's operations, while the commissioner's job is to supervise and evaluate top management. Therefore, the separation of the two roles can increase the effectiveness of supervision, whereas in the role of duality, it is possible to create a conflict of interest (Johari *et al.*, 2009) in (Chandra & Devie, 2017). Dissanayake and B (2019) found that CEO duality had a significant negative effect on the extensive voluntary disclosure. Based on this statement, the hypothesis can be proposed as:

H4 : CEO Duality has a significant negative effect on the extensive voluntary disclosure

Listing of Age and Extensive Voluntary Disclosure

The age of listing is the period a company is listed on the Indonesia Stock Exchange (IDX) as a public company and shows the company's ability to compete in the business world to maintain its business. Older companies will have more experience in publishing annual reports. Companies that have more experience will better know the needs of their constituents for information about the company (Oktriani & Arza, 2018). This is because older companies have more

experience in disclosing financial statements and are more understanding of things that have a positive effect on disclosure in the company (Albitar, 2015). Previous research conducted by (Oktriani & Arza, 2018) proved that the age of listing had a significant positive effect on voluntary disclosure. Based on the description above, the hypothesis can be formed as:

H5 : The age of listing has a significant positive effect on the extensive voluntary disclosure.

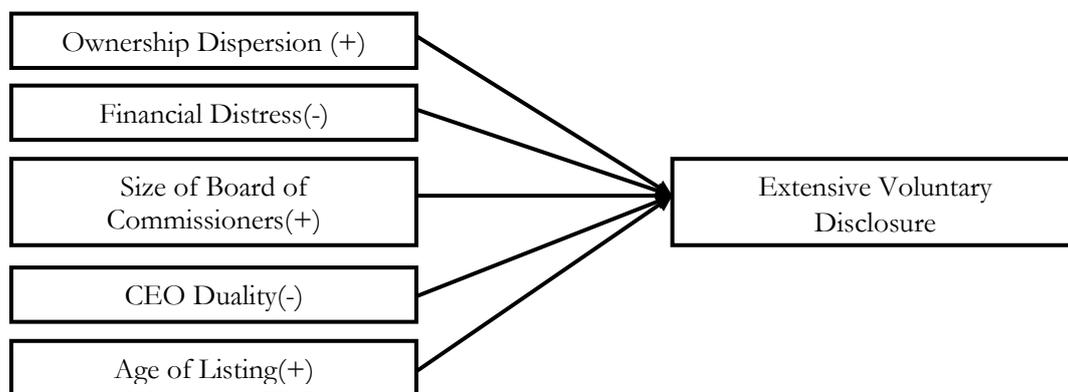


Figure 1. Research Framework

RESEARCH METHODOLOGY

Population and Sample

This research is a quantitative research with secondary data. This study chooses the basic and chemical industry companies listed on the Stock Exchange as the object of research. The research sample was selected by using purposive sampling with the condition that the Basic and Chemical Industrial Companies consecutively disclose financial reports and annual reports on Indonesia Stock Exchange during 2015-2018, by using the rupiah and financial statements that have complete data for this research. Definition of Operational Variables and Indicators. The variables used in this study consisted of the Endogenous variable: Extensive Voluntary Disclosure (Y) and the Exogenous Variables: Ownership Dispersion (X1), Financial distress (X2), Size of Board of Commissioners

Extensive Voluntary Disclosure

Voluntary disclosure is a disclosure that can be done freely by the company according to company interests that are considered relevant and supportive in making economic decisions that will be made by annual report users (Meek et al., 1995). The extensive voluntary disclosure in this study was measured by using Voluntary Disclosure Index by: giving a score for each dichotomous disclosure item. If an item is disclosed, it is given a score of 1 and if not, it is given a score of 0. Voluntary Disclosure Index is obtained by comparing the total score obtained from the company and the total disclosure standard score in the annual report.

Ownership Dispersion

Ownership Dispersion is the ownership of shares by the general public that does not have a special relationship with

the company against the shares of public companies (Vernando & Halmawati, 2016). Ownership Dispersion variable is measured by using a percentage of the ratio between the number of shares owned by the public and the number of shares outstanding (Vernando & Halmawati, 2016).

Financial distress

Financial distress is a condition in which a company has difficulties in fulfilling its obligations to the creditor or an indication when the company is in debt restructuring caused by difficulties in paying its obligations (Andrade & Kaplan, 1998). Financial distress is measured by using the Altman Z "-Score model (Altman et al., 1998) which has been modified from the merging of four financial ratios.

Size of the Board of Commissioners

KNKG (2004) revealed that the Board of Commissioners is part of the organ of the company that has a collective duty and responsibility to supervise and provide advice to directors and ensure that the company implements GCG. The size of the board of commissioners is measured by looking at the number of commissioners owned by the company (Poluan & Nugroho, 2015).

CEO Duality

CEO Duality is someone who has 2 positions at once, as Chairman of Board (Board Commissioners) and Chief Executive Officer (Board of directors) in a company (Booth et al., 2002). CEO duality

is measured by using dummy variables. If there is CEO duality, it is given a score of 1, and if there is no CEO duality, it is given a score of 0 (Ramadhan, 2017).

Age of Listing

The age of listing is the age of the company since it was listed on the Indonesia Stock Exchange (IDX) as publicly traded company (Vernando & Halmawati, 2016). The age of company listings is measured by calculating the age of the company from the initial date of listing on the Indonesia Stock Exchange until the year of the study used (Vernando & Halmawati, 2016).

Analysis Techniques

The data analysis technique used in this research is Multiple Linear Regression Analysis with SPSS 25 software. The regression equation model in this study is:

$$EVD = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + e$$

which:

| | |
|----------|-----------------------------------|
| EVD | = Extensive Voluntary Disclosure |
| α | = Constant |
| β | = Regression Coefficient |
| X_1 | = Ownership Dispersion |
| X_2 | = Financial Distress |
| X_3 | = Size of the Board Commissioners |
| X_4 | = CEO Duality |
| X_5 | = Age of Listing |
| e | = Standard Error |

RESULTS AND DISCUSSION

Analysis of Descriptive Statistics

Table 1. Analysis of Descriptive Statistics

| | N | Min | Max | Mean | Median | Std. Deviation |
|---|----------|------------|------------|-------------|---------------|-----------------------|
| EVD (Extensive Voluntary Disclosure) | 160 | 0.145 | 0.490 | 0.323 | 0.309 | 0.644 |
| OD (Ownership Dispersion) | 160 | 0.57% | 51.91% | 24.650% | 21.98% | 14.864% |
| FD (Financial Distress) | 160 | -6.237 | 3789.728 | 40.057 | 2.393 | 319.955 |
| UDK (Size of the Board of Commissioners) | 160 | 2 | 8 | 4.13 | 4 | 1.656 |
| CEO Duality | 160 | 0 | 1 | 0.49 | 0 | 0.501 |
| Age of Listing | 160 | 1 | 29 | 19.43 | 22 | 7.952 |
| Valid N (listwise) | 160 | | | | | |

Source: Secondary data processed, 2020

Extensive Voluntary Disclosure

The extensive voluntary disclosure proxied as the Voluntary Disclosure Index shows a value between 0.145 to 0.490 with an average value of 0.323 and a standard deviation value of 0.064. Thus, it can be concluded that the average value is greater than the standard deviation value, this shows the low variability of data between the minimum and maximum values. The lower the level of data variability, it can be said that the spread of data is normal.

In addition, the extensive voluntary disclosure variable also has a good level of accuracy because the average value of 0.323 is higher than the mean value of 0.309. From these statistics, it can be concluded that the average level of voluntary disclosure in basic and chemical industry companies listing on the Indonesia Stock Exchange in the 2015-2018 was 30.91%, this result is slightly lower compared to the results by Andriyanto & Metalia (2011) that revealed the average voluntary disclosure in high profile companies was 34%. However, the average area of voluntary disclosure in this study shows higher disclosure than the results by Andriyanto & Metalia (2011) which proves that the average of extensive voluntary disclosure of low profile companies is only 27%.

Ownership Dispersion

Ownership Dispersion (OD) data shows values between 0.57% to 51.91%

with an average value of 24.65% and a standard deviation value of 14.86%. Thus, it can be concluded that the average value is greater than the standard deviation value. This shows the low variability of data between the minimum and maximum values. The lower the level of data variability, it can be said that the spread of data is normal. Also, the ownership dispersion variable has a good level of accuracy because the average value is 24.65% higher than the middle value of 21.98%.

Financial Distress

Financial Distress (FD) data shows values between -6,237 to 3789,728 with an average value of 40,057 and a standard deviation of 319,955. The average value of 40,057 indicates that most of the sample companies are not experiencing financial distress. Thus, it can be concluded that the average value is smaller than the standard deviation value. This shows the high variability of data between the minimum and maximum values. The higher the level of data variability, it can be said that the spread of data is not normal. Also, the financial distress variable has a good level of accuracy because the average value of 40.057 is higher than the mean value of 2.339.

Size of the Board Commissioners

Size of the Board of Commissioners (UDK) Data shows values between 2 and 8 with an average value of 4.13 and a standard deviation value of 1.656. Thus, it can be

concluded that the average value is greater than the standard deviation value. This shows the low variability of data between the minimum and maximum values. The lower the level of data variability, it can be said that the spread of data is normal. In addition, size of the board variable also has a good level of accuracy because the average value is 4.13 higher than the middle value 4.

CEO Duality

Duality CEO data shows a value between 0 to 1 with an average value of 0.49 and a standard deviation value of 0.501. Thus, it can be concluded that the average value is smaller than the standard deviation value, this shows the high variability of data between the minimum and maximum values. The higher the level of data variability, it can be said that the spread of data is not normal. In addition, CEO duality variable have a good level of accuracy because the average value is 0.49 higher than the mean value of 0.

Age of Listing

Age of Listing data shows values between 1 and 29 with an average value of 19.43 and a standard deviation value of 7.952. Thus, it can be concluded that the average value is greater than the standard

deviation value, this shows the low variability of data between the minimum and maximum values. The lower the level of data variability, it can be said that the spread of data is normal. In addition, the age of listing variable has an unfavorable level of accuracy because the average value of 19.43 is lower than the middle value of 22.

Classical assumption test

Table 2 shows all the independent variables have a VIF value < 10 and a tolerance value > 0.10, it can be concluded that there is no multicollinearity in the research model. The results of heteroscedasticity testing using the Glejser test showed that all variables had significant values above 0.05, it can be concluded that the assumption is not the occurrence of heteroscedasticity in research. The results of data normality testing by using the Kolmogorov Smirnov test have a significant value of 0.200 > 0.05, it means, the data are normally distributed. The autocorrelation test results showed that the Durbin-Watson (DW) value of 2.217, means there was no autocorrelation because the results showed the DW value of 2.217 was greater than the upper limit (du) 1.8063 and less than 4 - 1.8063(4-d).

Table 2. Classical Assumption Test Results

| Model | Tolerance | VIF | Glejser test | Kolmo. Smirnov test | Durbin-Watson |
|----------------|-----------|-------|--------------|---------------------|---------------|
| OD | 0.970 | 1.031 | 0.959 | | |
| FD | 0.990 | 1.010 | 0.891 | | |
| SBC | 0.949 | 1.054 | 0.363 | 0,200 | 2.127 |
| CEO Duality | 0.971 | 1.030 | 0.062 | | |
| Age of Listing | 0.932 | 1.073 | 0.124 | | |

Note:
 OD = Ownership Dispersion
 FD = Financial Distress
 SBC= Size of the Board of Commissioners
 CEO Duality = CEO Duality
 Age of Listing = Age of Listing

Source: Secondary data processed, 2020.

Hypothesis Testing Results

In table 3, the adjusted R-square value obtained is 0.127 or 12.7%. That means, Ownership Dispersion, Financial Distress, Size of the Board of Commissioners, CEO

Duality, Age of Listing can explain the Extensive Voluntary Disclosure variable of 12.7%, while 87.3% is a variable that is not contained in this research. The results of the F-test conducted in this study can be seen if

the significant F-value (0,000) < 0.05, meaning that the Ownership Dispersion, Financial Distress, Size of the Board of Commissioners, CEO Duality, and Age of Listing have a significant effect on the Extensive Voluntary Disclosure. In conclusion, the regression model in this research is good and worth for this research.

Based on table 3, it can be concluded that the results of the t-test are:

The sig. t-value of Ownership dispersion is 0,000 <0.05 with positive direction, thus H1 is **accepted**. It means, Ownership Dispersion has a significant positive effect on Extensive Voluntary Disclosure.

The sig. t-value of Financial Distress is 0.469 > 0.05 with a positive direction, thus H2 is **rejected**. That is, the amount of Financial Distress does not have a

significant positive effect on Extensive Voluntary Disclosure.

The sig. t-value of Size of the Board of Commissioners is 0.002 <0.05 with a positive direction, thus H3 is **accepted**. That is, the size of the board of commissioners has a significant positive effect on the extensive voluntary disclosure.

The sig. t-value of CEO Duality is 0.767 > 0.05 with a positive direction, thus H4 is **rejected**. That is, CEO Duality has no significant positive effect on Extensive Voluntary Disclosure.

The sig. t-value of the Age of Listing is 0.435 > 0.05 with a negative direction, thus H5 is **rejected**. That is, the age of the listing has no significant negative effect on Extensive Voluntary Disclosure.

Table 3. Hypothesis Testing Results

| Hypothesis | Std β | Unstd β | SE | t-count | p-value | Results |
|-------------------------|-------|----------|------|---------|---------|----------|
| Constant | | .263 | .018 | 14.276 | .000 | |
| H1: OD →EVD | .290 | .001 | .000 | 3.860 | .000 | Accepted |
| H2: FD →EVD | .054 | 1.089E-5 | .000 | .726 | .469 | Rejected |
| H3: SBC→EVD | .234 | .009 | .003 | 3.081 | .002 | Accepted |
| H4: CEO Duality →EVD | .022 | .003 | .010 | .296 | .767 | Rejected |
| H5: Age of Listing →EVD | -.060 | .000 | .001 | -.782 | .435 | Rejected |

Adjusted R Square = 0,127
 Sig. F = 0,000
 Note:
 EVD=Extensive Voluntary Disclosure
 OD = Ownership Dispersion
 FD = Financial Distress
 SBC = Size of the Board of Commissioners
 CEO Duality = CEO Duality
 Age of Listing = Age of Listing

Source: Secondary data processed, 2020.

Discussion

Effect of Ownership Dispersion on Extensive Voluntary Disclosure

Based on the findings, the Ownership Dispersion has a significant positive effect on Extensive Voluntary Disclosure. It is suspected, companies with large public ownership will disclose more company information because of the public demand for information that is in the company is also large. The greater the percentage of shares owned by the public, the greater the public's control over company policy. Thus, the public requires more disclosure of

information from the company concerned (Putri et al., 2015).

The results of this research support the research conducted by Indriani (2014), Vernando & Halmawati (2016), and Nainggolan (2017) which prove that Ownership Dispersion has a significant positive effect on the Extensive Voluntary Disclosure. However, the results of this study are not in line with the study of Wardani (2011) which proves that public ownership does not have a significant positive effect on voluntary disclosure.

Effect of Financial Distress on Extensive Voluntary Disclosure

Based on the results of the study, Financial Distress has no significant positive effect on Extensive Voluntary Disclosure. In this study, companies that are experiencing financial distress and non-financial distress are still not interested in making voluntary disclosures. It can be known from the average of voluntary disclosures that are still classified as low, which is 30.91% with the largest disclosure on environmental indicators of 98, 125%, and the lowest disclosure on the indicator of value-added information that is equal to 0%. This is allegedly due to the cost and benefit factor, where if the company will provide additional information, it will require a significant amount of costs, and usually, the benefits of these costs are lower than the costs required. Hence, the company is reluctant to disclose because the benefits obtained by the company are not comparable to the costs that must be incurred by the company to disclose.

This study is in line with research conducted by Vernando & Halmawati (2016) which proves that financial distress has no significant positive effect on the extensive voluntary disclosure. However, this study is not in line with the research of Immanuel & Muid (2015) which proves that financial distress has a significant negative effect on Extensive Voluntary Disclosure.

Effect of Size of the Board of Commissioners on Extensive Disclosure

Based on the results of the study, the size of the Board of Commissioners has a significant positive effect on Voluntary Disclosure. A large number of members of the board of commissioners are considered to be able to increase the extensive voluntary disclosure. A large number of board of commissioners can reduce the possibility of information assimilation because they can contribute more to reduce distribution conflicts between agents and principals (Chen & Jaggi, 2000). Thus, the greater number of board of commissioners is considered to be able to increase the extensive voluntary disclosure. The greater

the number of boards of commissioners, the easier it is to supervise and monitor the performance of management in the company.

This study is in line with the research of Poluan & Nugroho (2015) which proves that the size of the Board of Commissioners has a significant positive effect on the extensive voluntary disclosure. However, the results of this study are not in line with the research by Rafifah & Ratmono (2015) which proves that the size of the Board of Commissioners has a significant positive effect on Voluntary Disclosure.

Effect of CEO Duality on Extensive Voluntary Disclosure

Based on the results of the study, CEO Duality has no significant positive effect on Extensive Voluntary Disclosure. In this study, the company with the presence of CEO duality or not, the company is still not so interested in a voluntary disclosure. It can be known from the average voluntary disclosure that is still relatively low. This is because in a company with CEO duality or not, there is still a conflict of interest between shareholders, management, and creditors. Differences in interests are one reason management tends to hide or not disclose the information to the company's external parties. This is done to prevent the risk of conflicting interests between management, shareholders, and creditors or external parties of the company.

This study is in line with the research of Yuen *et al.* (2010) which proves that CEO Duality has no significant positive effect on Voluntary Disclosure. However, this study is not in line with research conducted by Dissanayake & B (2019) that CEO Duality has a significant negative effect on Extensive Voluntary Disclosure.

Effects of Age of Listing on Extensive Voluntary Disclosure

Based on the results of the study, the age of listing has a significant negative effect on the extensive voluntary disclosure. In this study, companies with an aging license or a young age of listing are still not interested in

making voluntary disclosures. It can be known from the average voluntary disclosure that is still relatively low. It is suspected, companies with older age or companies with young age have fears of free riding, where certain parties use potential information in the company for purposes that are not good for the company concerned. For example, companies prefer to make voluntary disclosures less because they do not want to lose competition due to the disclosed information which weakens the competitiveness of companies. After all, the information is used by competitors to strengthen their competitiveness.

This study is in line with research conducted by Hidayat (2017) and Oktriani & Arza (2018) who found that Age of Listing had no significant positive effect on Extensive Voluntary Disclosure. However, this study is not in line with study conducted by Indriani (2014) which proves that the age of listing has a significant positive effect on the extensive voluntary disclosure.

CONCLUSION

Based on the results of the study, it can be concluded that Ownership Dispersion has a significant positive effect on Extensive Voluntary Disclosure. Large public shareholding can increase the extensive voluntary disclosure, but the young or old age of listings does not tend to do voluntary disclosure. This is because there are public demands for company information and public control over the company is large, as a result of its shares in the company.

The size of the Board of Commissioners has a significant positive effect on Extensive Voluntary Disclosure but CEO Duality has no significant positive effect on Extensive Voluntary Disclosure. As a large size of the board of commissioners, it will increase oversight of company management so that management will make more voluntary disclosures. Multiple positions as directors and commissioners do not influence voluntary disclosure.

Financial Distress has not a significant positive effect on Extensive Voluntary

Disclosure. As financial distress affects voluntary disclosure. This is due to the consideration of costs and benefits. Whether the benefits obtained by the company will be proportional to the costs incurred by the company for these benefits.

This research has implications for the need to expand research variables. Future studies are expected to add other independent variables that are predicted to significantly influence the voluntary disclosure variable, including leverage. The higher the leverage of the company, the greater the creditor pressure on the company to make more extensive voluntary disclosure. Close monitoring of creditors will encourage companies to be more transparent in making voluntary disclosures. The practical implication of this research is that companies are expected to be more transparent and extensive in making voluntary disclosures, so as to reduce the possibility of information asymmetry between company management and stakeholders. Also, it can facilitate the decision-making process for those who need it.

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