



ANALYSIS OF THE EFFECT OF FIRM CHARACTERISTICS ON THE COMPLETENESS OF PUBLIC COMPANY'S VOLUNTARY DISCLOSURE

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ABSTRACT

The purpose of this study is to analyze the influence of firm characteristics and voluntary disclosure levels in the annual reports of listed companies in Indonesia Stock Exchange. The degree of voluntary disclosure is calculated by an index which is based on background information, non-financial statistic, projected information, and management discussion and analysis. This study using 434 companies in 2021 as a sample and applies the multiple regression analysis. The finding of this study shows that firm characteristics; profitability, firm size, liquidity and industry type have significant relationship with voluntary disclosure, while leverage, age and ownership have no significant with voluntary disclosure. This study can be very helpful for the shareholders, creditors and financial management in making decision about giving voluntary disclosure in annual reports as it provides adequate information for decision making.

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INTRODUCTION

The financial report is a structured presentation of the entity's financial position and performance (Institute of Indonesia Chartered Accountants, 2018). Information of financial statements will be one measure in user decision making. The results of decisions based on the extent to which management discloses information in the financial statements. Disclosure of information is also known as information publicity (Tian & Chen, 2009).

Disclosure is defined in the accounting literature as “information to the public through the company's financial statements”(Ağca, A., Önder, 2007). Disclosure is also defined as “communication of economic information, both financial and non-financial relating to the financial position and performance of the company”(Owusu-ansah, 1998). Corporate disclosures consist of two categories, namely: mandatory disclosures and voluntary disclosure.

The focus of this study is voluntary disclosure. Research on voluntary disclosure is still very important because first, the choice of voluntary disclosure of information from companies is still different from one another and the choice of information aims to minimize conflicts of interest between management, shareholders and creditors. Second, changes in economic environmental conditions cause companies to be less transparent in disclosing the information needed by users in this case the company is more focused on information disclosure regulations that have been regulated by accounting standards or capital market supervisory bodies. Third, Voluntary disclosure of information is considered to make it easier for investors to read and understand management strategies, minimizing information asymmetry. Fourth, Voluntary disclosure of information is useful for investors and other users of information to produce better decisions because mandatory disclosure is considered not sufficient to provide the information needed by investors.

There are some of the previous studies regarding voluntary disclosure including: Hossain & Hammami (2009) voluntary disclosure in the annual reports of an emerging country: the case of Qatar. Wardani (2012) factors that affect voluntary area. Sembiring (2012) analysis of company characteristics on voluntary disclosure of manufacturing companies. Sehar & Tufail (2013) Determinants of voluntary disclosure in annual reports: a case study of Pakistan. Soliman (2013) Firm characteristic and the extent of voluntary disclosure: the case of Egypt. Ibrahim (2014) Firm characteristic and voluntary segment disclosure among the largest firm in Nigeria. Habbash (2016) The determinants of voluntary disclosure in Saudi arabia: an empirical study.

The variables used by previous researchers were observed again, but there were some differences in their explanation. First, the sample of previous research is only in certain industrial sectors and not all public companies listed on the IDX. Second, The industrial type variable has been used in previous studies, but the research location is not in Indonesia, so the researcher further observes the influence of industry type on the voluntary disclosure of public companies listed on the IDX. Third, Although several previous studies used the same variables, the results were inconsistent, so it is important to observe further about the voluntary disclosure of public companies. Referring to the description above, this research will analyze the effect of company characteristics as measured by using profitability ratios, company size, industry type, leverage, liquidity

ratios, listing age, and the proportion of public share ownership on the completeness of voluntary disclosures in the financial statements of public companies on the Indonesian Stock Exchange in 2021

LITERATURE REVIEW

There are two categories of corporate disclosure, namely: mandatory disclosure and voluntary disclosure. Mandatory disclosures and voluntary disclosures are two ways of delivering information by companies where managers communicate information relevant to the capital market as evidenced by stock prices and company liquidity related to both types of disclosure (Balakrishnan & Yang, 2016). Mandatory disclosure is disclosure of information that must comply with regulations issued by the Capital Market Supervisory Agency (BAPEPAM) while voluntary disclosure is the delivery of information other than those required by accounting standards or regulatory agency regulations (Suwardjono, 2013:583).

Agency Theory

According to Jensen & Meckling (1976) Agency relationship is a contract in which one or more parties (principals) involve another party (agents) to provide some services for their interests, involving representatives of decision-making authority to agents. Agents relate to managers and principals relate to shareholders from a corporate perspective. Agency costs come from the assumption that the two parties, namely the agent and the principal, have different interests. Monitoring costs are incurred by the principal to limit the activities of deviant agents. Bonding costs are incurred by the agent in an effort to convince the principal to show that the agent has taken the best actions in the interest of the principal. Residual loss will occur if the decision of the agent is different from the decision that will maximize the welfare of the principal, thus, agency costs are the sum of monitoring costs, bonding costs, and residual losses (Jensen & Meckling, 1976). The agency relationship will lead to information asymmetry problems if managers can access more information than shareholders. Optimal contract is one way to reduce agency problems because it helps the interests of the principal (shareholders) in accordance with the interests of the agent (Healy & Palepu, 2001). In addition, voluntary disclosure is another way to reduce agency problems, where managers disclose voluntary information which reduces agency costs and also to convince external users that managers are acting optimally (Shehata, 2014).

Signaling Theory

Initially, signal theory was developed to clarify information asymmetry in the labor market (Spence, 1973). Signal theory can also help clarify voluntary disclosures in corporate reporting (Ross, 1977). As a result of the problem of information asymmetry, the company gives certain information signals to investors to show that the company's current performance is better than the performance of other companies in the market, this aims to attract investment and improve a good reputation (Verrecchia, 1983). Voluntary disclosure is one means of signaling, where the company will disclose more information than is required by laws and regulations, to signal that the company is in good condition (Campbell *et.al* 2001).

Capital Need Theory

The purpose of a company is to attract external parties to increase the company's capital, by debt or equity. Capital need theory shows that voluntary disclosure helps in achieving the company's need to raise capital at a low cost (Choi, 1973). According to Andersson & Folkare (2015) *insights into enhancing voluntary disclosure* issued by the financial accounting standards (FASB), as part of broader business reporting, competition for capital leads to increased voluntary disclosure. The rationale behind this is the fact that "the firm's cost of capital is believed to include a premium for the uncertainty and accuracy of the information available about the firm", therefore, a reduction in the firm's cost of capital will occur if investors are able to interpret the firm's economic prospects, through voluntary disclosure (Financial Accounting Standards Board, 2001). The relationship between voluntary disclosure and the cost of capital is considered positive, because the higher the disclosure of information, the lower the cost of capital. However (Botosan, 2006) highlights that for certain types of disclosure, it may have the opposite effect.

Legitimacy Theory

The assumption of legitimacy theory is that the company does not have the right to exist unless its value is deemed appropriate to the society in general in which the company operates (Magness, 2006). According to the statement above, thus, the idea of legitimacy theory resembles a social contract between companies and society. The purpose of accounting is to provide users with information to assist in making decisions that meet social interests, the theory has been integrated in accounting studies as a "means to explain what, why, when, and how certain things are handled by company management in their communication with parties outside the company (Magness, 2006). Legitimacy theory is based on public perception, so management is forced to disclose information that can change the opinion of external users about their company (Shehata, 2014). Financial statements have been detected as an important source of legitimacy. Legitimacy occurs, both through mandatory disclosures – disclosures that are required according to applicable regulations, and voluntary disclosures provided elsewhere in the annual report (Magness, 2006).

Firm Characteristics

The characteristics of companies are conceptualized differently by various studies according to the criteria used to define them. Most researchers agree that company characteristics are related to company resources and organizational goals. The company's resources and objectives can be analyzed using three criteria, namely structure, performance and market (Mgeni & Nayak, 2016). This study uses the characteristics of the company in accordance with the observations that have been made previously by Lang & Lundholm (1993); Wallace *et al.*, (1994); dan Mgeni & Nayak (2016) where company characteristics are a potential measure to observe the completeness of voluntary disclosure, and classify company characteristics into 3 categories, namely: First, structure-related variables Wallace *et al.*, (1994), states that this variable tends to remain stable over time. There are two variables related to structure, namely leverage and firm size. Second, performance-related variables, This variable is a variable that varies from

time to time and provides relevant information for users. The following are included in the performance variables, namely liquidity ratios, profit margins, return on assets (ROA), return on investment (ROI), return on equity (ROE). Third, market-related variable, This variable is more specific over a certain period of time and/or is relatively stable over time. Market variables can be under or outside the company's control and can be qualitative as well as quantitative. Qualitative variables for example the status of a company and the type of industry. While the quantitative examples are the age of the company (age) and share ownership.

Hypothesis development

The hypothesis can be briefly described through the research model which will be presented in Figure 1 below:

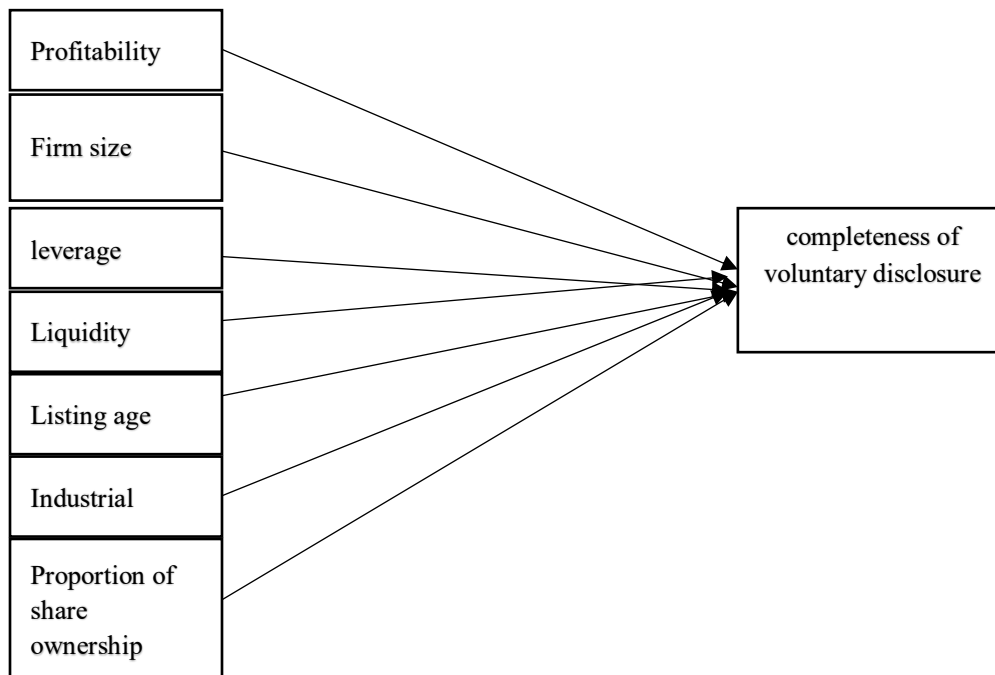


Figure 1. Research Model

Source: Author's tabulation (2022)

Relationship between profitability and completeness of voluntary disclosure.

Profitability ratios are used to measure a company's competence in earning profits on capital, assets, and sales levels (Harahap, 2008:219). Agency theory and signaling theory propose that firms will provide more information when experiencing profits. Subyantoro (1996) stated that economic investment returns and high profit margins will encourage managers to provide more detailed information because management wants to convince investors of the company's profits and increase management rewards.

Foster (1986:32) argues that one way to distinguish profitable and non-profit companies is through the provision of voluntary information. High profitability shows the high profits earned by the company, so companies that are more profitable (profit) are expected to disclose more voluntary information.

Then the formulation of the alternative hypothesis from this research is

H₁: The profitability ratio has a positive effect on the completeness of voluntary disclosure.

Relationship between company size and completeness of voluntary disclosure.

The size of a company is measured by calculating the total assets of the company. Several options that can be used to measure company size include: market capitalization, net sales level, and total assets. Big companies have the resources to disclose more information and also big companies will get more public attention because they have a greater impact on society (Andersson & Folkare, 2015).

In addition, according to Jensen & Meckling, (1976), Large political burdens tend to be owned by large companies compared to small companies, because along with the size of a company, the information requested by users of financial statements is also increasing, so to reduce this burden, managers try to make voluntary disclosures to explain the company's activities.

Foster (1986:44) suggests that the most consistently significant variable in studies examining differences between companies in their disclosure policies is firm size (size). Generally, large companies provide more detailed information than small companies.

The formulation of the alternative hypothesis is:

H₂: company size has a positive effect on the completeness of voluntary disclosure.

Relationship between leverage and completeness of voluntary disclosure.

Leverage shows how much the company is financed by debt (Van Horne & Wachowics, 2007). High corporate leverage means the higher the company's dependence on creditors, so companies with high leverage must disclose more detailed information to meet creditors' needs for information.

The alternative hypothesis is formulated as follows:

H₃: Leverage has a positive effect on the completeness of voluntary disclosure.

Relationship between liquidity and completeness of voluntary disclosure.

Liquidity shows the ability of a company to meet short-term funds. Cooke, (1989) found that healthy companies are indicated by high liquidity ratios and disclosure of more detailed information so that financially healthy companies are likely to provide more information than low ones. On the other hand, if liquidity is viewed by the market as a measure of performance, it is important for companies with low liquidity ratios to provide wider information to explain weak performance compared to those with high liquidity (Wallace *et al.*, 1994). Subyantoro, (1996) states that the liquidity ratio has an effect on voluntary disclosure, because a company with good liquidity means it has a good financial structure as well, so that if the public knows about it, the company's performance is not threatened. Even if it is not known by the public, the company's performance can still be seen directly or indirectly.

The formulation of the alternative hypothesis is as follows:

H₄: The liquidity ratio has a positive effect on the completeness of voluntary disclosure.

Relationship between listing age and completeness of voluntary disclosure.

The age of the company shows a company still exists (survive), has the ability to compete, and is able to take advantage of business opportunities in the economy. Meek *et al.*, (1995) shows that listed companies face additional pressure from the capital market for the provision of information. More knowledge about the information needs of investors is owned by companies that are longer listed on the stock exchange. The greater the age, the company will be more experienced in preparing financial statements. Thus, companies with longer lists tend to be more open because they realize the importance of timeliness of company financial reporting.

The formulation of the alternative hypothesis is as follows

H₅: Listing age has a positive effect on the completeness of voluntary disclosure

Relationship between industrial and completeness of voluntary disclosure.

Industry type measurement is to distinguish high profile and low profile industries. Description of the company's industry type based on company risk, scope of operations and ability to face business challenges. High-profile companies are companies that have a high level of competition, consumer visibility and political risk (Roberts, 1992). Based on research conducted by Roberts (1992) classified high-profile industrial groups as automotive, paper, forest, chemical, oil and other mining, construction, tobacco and cigarette companies, agribusiness, media and communications, food and beverage, energy, health, tourism and transportation. A low-profile company is a company that does not get much attention from the public if an error occurs in the process or product or the company's operations fail.

the alternative hypothesis is:

H₆: The type of industry has a positive effect on the completeness of voluntary disclosure.

Relationship between proportion of share ownership and completeness of voluntary disclosure.

Two aspects that are reviewed can affect share ownership on voluntary disclosure, namely; The first aspect, public ownership is greater than the ownership of certain parties who are "insiders". Second, foreign ownership is higher than domestic ownership. The amount of insider ownership means that less information is disclosed due to the wide access that insiders have to company information to be published. The higher the share of public ownership, it means that there are more parties who need company information so that it must be described in more detail in the annual report.

(Suripto, 1998), stated that the greater the number of shares owned by the public, the more detailed the information provided should be because the public would demand the widest possible transparency from the company. In this study, it is expected that the greater the public ownership, the more extensive and complete the information disclosed will be.

The alternative hypothesis is formulated as follows:

H₇: the proportion of share ownership has a positive effect on the completeness of voluntary disclosure.

RESEARCH METHOD

The design of this research is descriptive explanatory with causality through hypothesis testing to determine the direct effect of company characteristics on the completeness of voluntary disclosures in the annual reports of public companies listed on the Indonesia Stock Exchange.

The data used is in the form of quantitative data and the source of data collection uses secondary data, namely the annual reports of public companies listed on the Indonesia Stock Exchange in 2021 with a total of 766 companies. The sample selection was done by purposive sampling method, namely the selection of samples with certain criteria. The following is a table of sample selection procedures:

Table 1. Sample selection procedure

Description	Number of companies
Number of companies listed on the IDX in 2021	766
Number of companies that suffered losses	(188)
Number of companies that issue financial statements that do not use Rupiah (Rp)	(90)
Number of companies that will IPO in 2021	(54)
Final Sample Quantity	434

Source: <https://www.idx.co.id/>

Variables are classified into two types, namely dependent and independent variables. Completeness of voluntary disclosure is the dependent variable, and the independent variable is the company's characteristics as measured by profitability ratios, liquidity ratios, leverage, company size, listing age, industry type, and share ownership proportions.

The disclosure completeness index can be calculated by: Giving points to the disclosure items in a dichotomy where each item is given a score of one (1) if disclosed and zero (0) if not disclosed. The scores obtained are then added up to get the total score for each company. Calculate the disclosure completeness index in the following way:

$$\frac{\text{Total points earned}}{\text{The total points expected to be earned by the company}}$$

Profitability variable is measured by Return on Assets (ROA), firm size variable is calculated using total assets (Ln), leverage variable is measured by Debt to Equity Ratio (DER), liquidity variable is measured by current ratio, listing age is measured by duration of listing in the company, industry type variables are classified based on high profile and low profile, and the share ownership proportion variable is measured based on the percentage of shares owned by the public.

The data analysis technique used descriptive statistical test, classical assumption test, multiple linear regression model, accuracy test, coefficient of determination test, and variable significance test. Multiple linear regression model as follows:

$$DISCL = a + b_1PROFIT + b_2SIZE + b_3LEV + b_4LIKUID + b_5AGE + b_6INDUSTRI + b_7PKS + \epsilon:$$

Information:

DISCL: Completeness of voluntary disclosure

a : intercept

b₁, b₂, b₃, b₄, b₅, b₆, b₇ : Regression coefficient

PROFIT: profitability ratio

SIZE: company size

LEV: leverage ratio

LIKUID: liquidity ratio

AGE: listing age

INDUSTRI: industrial type

PKS: Proportion of share ownership

ϵ : error term

RESULTS AND DISCUSSION

Research result

The results obtained after processing the data are as follows; based on the model accuracy test (F test), the test results provide information that the variables of profitability ratios, firm size, leverage, liquidity ratios, listing age, industry type, proportion of public share ownership have a significant effect on the completeness of voluntary disclosure variables.

Based on the variable significance test (t test), the test results provide the following information; Profitability variables, liquidity ratios, firm size, industry type have a significant effect on the completeness of voluntary disclosure variables. variable leverage, age of listing, proportion of share ownership has no effect on voluntary disclosure.

Analysis of Research Results

Descriptive statistics

The results of the descriptive statistical test are shown in the following table:

Table 2
 Descriptive statistical test results

Variabel	Mean	Deviasi Standar	Maksimum	Minimum
<i>DISCL</i>	0.752	0.0738	0.88	0.48
PROFIT	4.310	9.38308	71.60	-71.37
<i>SIZE</i>	1.595	239.187	968.13	1.08
	0	47		

LEV	6.400	41.1300	624.96	-4.94
	8	7		
LIKUID	1.902	158.435	962.15	0.79
	92	18		
AGE	14.28	9.88798	70.00	1.00
	25			
INDUST	1.660	0.47430	2.00	1.00
RI	0			
PKS	26.86	18.4350	100.00	0.00
	88	5		

Sou

rice: Author's tabulation 2022

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ble 2 informs that the average level of voluntary disclosure (DISCL) is 0.7520, standard deviation 0.07380, maximum 0.88 and minimum 0.48. This condition shows that some of the indicators of voluntary disclosure have been described by the average public companies that are the research sample in their annual reports.

Coefficient of determination (R^2)

Th

e following table shows the coefficient of determination

Table 3
 coefficient of determination test

Adjusted R Square	Durbin Watson
0.414	2.462

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rice: Author's tabulation (2022)

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ble 3 informs that The adjusted R Square value is 0.414, which means that 41.40% of the voluntary disclosure completeness variable is influenced by profitability, listing age, company size, liquidity, leverage, listing age, industry type, and the proportion of share ownership, while the remaining 58.60% is predicted to be influenced by variables. others that are not included in this research model.

Th

e value of Durbin Watson based on the test results is 2.462, which means that there is no autocorrelation.

Multicollinearity Test

Th

e following is a table of multicollinearity tests:

Table 4
 Multicollinearity test

Variabel Independen	Tolerance	VIF
PROFIT	0.953	1.049
SIZE	0.996	1.004
LEV	0.997	1.003

LIKUID	0.968	1.033
AGE	0.984	1.016
INDUSTRI	0.986	1.014
PKS	0.981	1.020

Source: Author's tabulation (2022)

Table 4 informs that this study is free of multicollinearity.

Model Accuracy Test

The following is a table of model accuracy test

Table 5
 Model accuracy test

Variabel	F	Sig.
PROFIT	8.444	0.000
SIZE		
LEV		
LIKUID		
AGE		
INDUSTRI		
PKS		

Source: Author's tabulation (2022)

Table 5 informs that the model formulated in this study is fit and the variables of profitability, firm size, leverage, liquidity, listing age, share ownership proportion and industry type simultaneously have a significant effect on the variable completeness of voluntary disclosure.

Variable significance test

The t-test was conducted to determine the significance of the effect of each independent variable on the dependent variable. Here is the t-test table:

Table 6
 The results of the significance test of multiple linear regression variables

Variabel	Koefisien regresi	Standar error	T	P
PROFIT	-0.478	0.219	-2.287	0.007*

SIZE	0.502	0.220	2.713	0.000*
LEV	0.106	0.168	0.958	0.196
LIKUID	0.602	0.400	2.475	0.005*
AGE	0.055	0.078	0.897	0.271
INDUSTRI	0.504	0.297	2.074	0.039*
PKS	0.059	0.170	1.176	0.242

*Statistically significant at 5% alpha level ($p < 0.05$)

Source: Author's tabulation (2022)

Table 6 informs that the magnitude of the regression coefficient on the t value of each independent variable can be expressed as follows:

Profitability

Profitability regression coefficient (PROFIT) -0.478 and t value -2.287 ($p = 0.007$). These results indicate that the effect of profitability on the completeness of voluntary disclosure is statistically significant at the level of = 1%. This result is consistent with the research of Sehar & Tufail (2014), which states that profitability has an effect on the completeness of voluntary disclosure.

Firm Size

The firm size coefficient (SIZE) is 0.502 and the t value is 2.713 ($p = 0.000$). It means that the effect of firm size on the completeness of voluntary disclosure is statistically significant at the level of = 1%. This result is equally consistent with the research of Ibrahim (2014) Habbash (2016); Firm size has an effect on the completeness of voluntary disclosure.

Leverage

The leverage regression coefficient (LEV) is 0.106 and the t value is 0.958 ($p = 0.196$). These results mean that the effect of leverage on the completeness of voluntary disclosure is not statistically significant. The results of this study are inconsistent with research by Habbash (2016) and Sehar & Tufail (2014).

Liquidity

The liquidity regression coefficient (LIQUID) is 0.602 and the t value is 2.475 ($p = 0.005$). These results indicate that the effect of liquidity on the completeness of voluntary

disclosure is statistically significant at the level of = 1%. These results are not the same as those of Sembiring (2012) and Wardhani (2012).

Listing Age

The regression coefficient for listing age (AGE) was 0.055 and the t value was 0.897 ($p = 0.271$). This result means that the effect of listing age on the completeness of voluntary disclosure is not statistically significant. This result is not in accordance with that of Habbash (2016) and Sehar & Tufail (2014).

Industrial

Industry type regression coefficient (INDUSTRY) 0.504 and t value 2.074 ($p = 0.039$). These results indicate that the effect of industry type on the completeness of voluntary disclosure is statistically significant at the level of = 4%. The results are consistent with research by Habbash (2016) and Ibrahim (2014).

Proportion of Share Ownership

The regression coefficient for the proportion of share ownership (PKS) is 0.059 and the t value is 1.176 ($p = 0.242$). These results indicate that the effect of the proportion of share ownership on the completeness of voluntary disclosure is not statistically significant. The results are consistent with Wardhani (2012) and Ibrahim (2014).

Discussion of Research Results

The effect of the profitability ratio (PROFIT) on the completeness of voluntary disclosure.

The results of the hypothesis test show that the profitability ratio has a significant effect on the completeness of voluntary disclosure and the probability value is 0.007. These results are consistent with the researches of Wardani (2012), Soliman (2013), Sehar & Tufail (2014) and Habbash (2016) which show that profitability affects the completeness of voluntary disclosure, but differs from Hossain & Hammami (2009) which states that profitability has no effect on completeness of voluntary disclosure.

The results of this study mean that the higher the profitability, the more complete the information provided voluntarily by the company, on the contrary, the lower the profitability, the less information is disclosed. This is because profitability shows the percentage of company profits in a certain period and is also related to the company's performance in generating profits. Information about profitability is needed by stakeholders to control the results of management's work which is published through annual reports. Agency theory and signaling theory propose that firms will provide more information when experiencing profits.

The effect of firm size (SIZE) on the completeness of voluntary disclosure.

The hypothesis test shows that company size has a significant effect on the completeness of voluntary disclosure with a probability value of 0.000. This result is consistent with Hossain & Hammami (2009), Wardani (2012), Sehar & Taufail (2014), Soliman (2013), Habbash (2016) and Ibrahim (2014) on the other hand not consistent with Sembiring (2012).

This means that large companies will provide more detailed information than small companies because providing detailed information is an attempt by the company to be public responsibility and avoid risk.

The effect of leverage on the completeness of voluntary disclosure.

The results of hypothesis testing show that the leverage variable has no effect on the completeness of voluntary disclosure with a probability value of 0.196. The results of this test are consistent with Sehar & Tufail (2014), Wardani (2012) and Habbash (2016).

This means the higher the leverage the less information is disclosed by management in the company's annual report. The goal is that funding risk appears lower, otherwise more complete information will be disclosed when leverage is low so that the company's low risk of debt is a proof of good performance from management.

The effect of the liquidity ratio on the completeness of voluntary disclosure.

Hypothesis testing shows that the liquidity ratio has a significant effect on the completeness of voluntary disclosure with a probability value of 0.005. This result is inconsistent with Sembiring (2012) and Wardani (2012). On the other hand, it is consistent with Wallace et al., (1994) who argues that financially healthy companies will provide more information than financially unhealthy companies. On the other hand, if liquidity is seen by the market as a performance measure, companies with low liquidity need to provide more detailed information to describe the weak performance of the company than those with high liquidity.

The results of this study indicate that there is an influence between liquidity and the completeness of voluntary disclosure, which means that companies with high liquidity have a good financial structure so that they will provide more information than those with low liquidity. This also means that the company indirectly shows its good performance to the public.

The Effect of listing age on the completeness of voluntary disclosure

Hypothesis testing shows that the age of listing has no effect on the completeness of voluntary disclosure with a probability of 0.271. These results are consistent with Soliman (2013) and Ibrahim (2014). On the other hand, these results do not support the research of Sehar & Tufail (2014) and Habbash (2016). According to Habbash (2016), companies that have long been listed as public companies have incentives, abilities, and expertise to organize and present more information than those that are newly registered.

The test results show that the age of listing and voluntary disclosure do not have a significant effect. This means that the completeness of information disclosure of a company does not depend on how long the company has been registered as a public company. Indicators regarding information disclosure have been regulated by BAPEPAM so that newly registered companies as public companies can follow the extent to which information must be disclosed.

The effect of industry type on the completeness of voluntary disclosure.

Hypothesis testing shows that the type of industry and the completeness of voluntary disclosure have a significant effect with a probability value of 0.039. The results are consistent with Ibrahim (2014) and Habbash (2016).

According to Ibrahim (2014), the reputation and credibility of certain industries require companies to adopt voluntary disclosures that are more detailed than the required disclosures. Habbash (2016) in his research states that in general, the level of voluntary disclosure is expected to differ in nature and extent in various sectors. Companies in environmentally hazardous sectors such as the petroleum, chemical and fertilizer industries are expected to disclose more information voluntarily than in other industrial sectors because companies in these industrial sectors are under pressure from the public and environmental protection agencies.

This study states that the type of industry affects the level of completeness of voluntary disclosure. This means that management is required to disclose more detailed information, especially in high profile industrial sectors to fulfill social interests and as a means of communication between company management and the community. According to the assumption of legitimacy theory that the company does not have the right to exist unless its value is considered to be in accordance with the society in general in which the company operates. According to Shetata (2014), legitimacy theory is based on people's perceptions so that management must disclose information that can change the opinion of external users about the company.

The effect of the proportion of share ownership on the completeness of voluntary disclosure.

Hypothesis testing shows that the proportion of share ownership has no effect on the completeness of voluntary disclosure with a probability value of 0.242. These results are consistent with Sembiring (2012), Wardani (2012) and Ibrahim (2014). This is because most public companies in Indonesia still lead to a pattern of leadership that is controlled by the family, so that managers only act as managers to carry out the company's operational activities (Bernardi et al 2009).

CONCLUSION

Following are the conclusions from the overall analysis and discussion of the research: the variables that have a significant influence on the completeness of voluntary disclosure are the variables of profitability, firm size, liquidity, and industry type. This means that the company will provide information voluntarily if it has high profitability, belongs to a large company, has high liquidity and is included in a high profile industry.

Variables that have no effect on the completeness of voluntary disclosure are leverage, listing age, and the proportion of share ownership. That is, if leverage is high, management will disclose incomplete information in the company's annual report. The completeness of information disclosure of a company does not depend on how long the company has been registered as a public company. The leadership pattern of most public companies in Indonesia is controlled by the family, so that managers only act as managers to carry out the company's operational activities.

Suggestions

First, The variables of leverage, listing age and the proportion of share ownership are not consistent with previous researchers, so there are still opportunities to be studied using different samples. Second, The next researcher can involve several other raters in assessing the disclosure index score to reduce the subjectivity problem in the assessment of the voluntary disclosure index.

Third, This study only uses 1 observation period, so that further researchers can increase the number of observation periods (more than 2 years) as a comparison for analysis.

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