

CORPORATE GOVERNANCE DISCLOSURE IN THE EXISTENCE OF OWNERSHIP STRUCTURE AND GROWTH OPPORTUNITIES

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ABSTRACT

Keywords:
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This study examines whether ownership structure which was divided into blockholder ownership, managerial ownership, and public ownership had influence on corporate governance disclosure, and whether growth opportunities moderate that influence. Studies in this area mostly examined the role of ownership structure on corporate financial disclosure or public announcements conducted in the context of different countries and in more regulated industries in Indonesia. The scope of this study was manufacturing companies listed on the Indonesian Stock Exchange for the period of 2013. The results showed that between the ownership structures only blockholder ownership had a negative and significant influence on the corporate governance disclosure. Being the largest shareholders, blockholders might have better access on the inside information which made them better informed relative to other shareholders, thus arguably might desire less disclosure. The results also showed that the interaction variable between managerial ownership and growth opportunities was negative and significant. This indicates that in a growing company where the managerial ownership increases, the management would tend to reduce the corporate governance information they provided to the stakeholders.

ABSTRAK

Kata kunci:
kepemilikan
mayoritas,
pengungkapan tata
kelola perusahaan,
kesempatan
bertumbuh,
kepemilikan
manajerial,
kepemilikan publik.

Penelitian ini menguji apakah struktur kepemilikan yang dibagi menjadi kepemilikan blockholder, kepemilikan manajerial, dan kepemilikan publik memiliki pengaruh terhadap pernyataan tata kelola perusahaan, dan apakah kesempatan bertumbuh memoderasi pengaruh tersebut. Adapun kebanyakan penelitian di bidang ini hanya mengusut peran struktur kepemilikan terhadap pernyataan keuangan perusahaan atau pengumuman publik, dilakukan di luar Indonesia dalam konteks negara yang berbeda, sedangkan yang ada di Indonesia dilakukan pada industri yang sangat ketat dikendalikan oleh aturan. Obyek penelitian ini adalah perusahaan-perusahaan manufaktur yang terdaftar dalam Bursa Efek Indonesia untuk periode tahun 2013. Hasil penelitian ini menunjukkan bahwa di antara struktur kepemilikan yang ada, hanya kepemilikan blockholder yang memiliki pengaruh negatif signifikan terhadap pernyataan tata kelola perusahaan. Sebagai pemegang saham terbesar dalam perusahaan, blockholder kemungkinan besar memiliki akses yang lebih baik terhadap informasi dalam perusahaan yang membuat mereka lebih banyak tahu kondisi perusahaan dibandingkan pemegang saham yang lain, yang kemudian menyebabkan penyajian informasi dalam pernyataan tata kelola perusahaan menjadi lebih terbatas. Hasil penelitian ini juga menunjukkan bahwa variabel interaksi antara kepemilikan manajerial dan kesempatan bertumbuh juga negatif signifikan. Hal ini menunjukkan bahwa pada perusahaan yang sedang bertumbuh ketika kepemilikan manajerial bertambah, manajemen akan cenderung mengurangi informasi yang disajikan dalam pernyataan tata kelola perusahaan.

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Corporate disclosure serves as one form of accountability of the management to stakeholders. It has a role of reducing information asymmetry between management and shareholders (Utama, 2012). Management usually knows more about the operations of the company, thus possessing inside information. While this information may not be easily available, corporate disclosure can be one of the means for shareholders to obtain information about corporate financial and non-financial activities. Consequently, for the owners of capital, corporate disclosure can serve as the basis to examine corporate performance (Healy & Palepu, 2001).

Different companies may have different ways of disclosing information. Some might disclose more, while others can choose otherwise, and it may depend on the information needed by the owners of capital. In other words, different types of shareholders may have different interest in corporate disclosure. Thus, there will be different influence given by different types of shareholders to the information disclosed by a company.

In 2010, there was a 12 percent -investment growth in the manufacturing sector from previous year, and a 5 percent -up-to-6 percent growth during the first semester of 2011 (Global Business Guide Indonesia, 2011), which most probably was more accentuated in 2013. This implies that as the investment in manufacturing sectors grows, investors may be more interested in how companies manage their funds. Hence, corporate disclosure could be one means to provide for the needs.

As a company grows, the chance of that company to be scrutinized may be escalated. Some studies argued that bigger companies are more visible, thus required more disclosure to be accountable to the stakeholders (Liu & Sun, 2010). This study conjectured that a company that had higher growth opportunities would choose to disclose more, thus moderating the impact of ownership structure on corporate governance disclosure,

although as Nuryaman (2009) argued, a company might still have an intention to retain information for competitive reason.

Most studies in this area of study examined the role of ownership structure on corporate financial disclosure (Eng & Mak, 2003; Wang et al., 2008; Utama, 2012) or public announcement disclosure (Laidroo, 2009). In fact, corporate governance disclosure has only been examined in the context of different countries outside Indonesia (Bauwhede & Willekens, 2008; Collett & Hrasky, 2005; Jain & Nangia, 2014), or in Indonesia, as part of bigger voluntary corporate disclosure scope (Nuryaman, 2009), and in a more regulated industry (Darmadi, 2013). In addition, the role of growth opportunities on corporate governance disclosure has not been particularly studied yet. Therefore, this study examined the impact of ownership structure on corporate governance disclosure, by taking into consideration the moderating role of growth opportunities. To extend this study, different types of ownership structure were examined, which are blockholder ownership, managerial ownership, and public ownership.

HYPOTHESIS DEVELOPMENT

The presentation of corporate disclosure, particularly the corporate annual report, as an important decision making tool is required by regulations as well as demanded by stakeholders. According to Kurniawan & Indriantoro (2000), companies are required to provide certain disclosures based on the regulations set by the government and the capital market. The asymmetric of information and agency conflicts between management and external shareholders are also the triggers for demand over corporate disclosure as argued by Healy & Palepu (2001).

Corporate governance disclosure is one component of corporate annual report. Although mandatorily enforced by Bapepam-LK, it can serve as

a voluntary disclosure to the extent that a listed company may choose to disclose broader or more detail than the required information. On the other hand, whenever a company prepares lesser information, the decision making of the shareholders can be affected. This is because relevant and important information might be omitted, thus have a potential to mislead the stakeholders (Nuryaman, 2009).

Corporate governance disclosure is considerably understudied. In particular, there are not many studies that have examined about corporate governance disclosure as a stand-alone disclosure, especially in Indonesia. Research studies in Indonesia is mainly conducted around corporate financial disclosure (e.g., Utama, 2012), and when corporate governance disclosure was being studied, it was included as a part of larger scope of corporate disclosure (Nuryaman, 2009), and conducted in a highly regulated and more limited scope of industry (Darmadi, 2013). There are several studies that have been done outside of Indonesia such as in the context of European Union (Bauwhede & Willekens, 2008), Australia (Collett & Hrasky, 2005), and India (Jain & Nangia, 2014). However, it could be argued that those studies are irrelevant to the Indonesian context since those countries may have different governance setting from Indonesia's.

The influence given by ownership structure on corporate financial and non-financial performance has been widely studied. In particular, Ghalandari (2013) stated that the conflict of interest among shareholders had become the foundation for examining the influence of ownership structure on firm value. However, the components of ownership structure might be different across studies. Several among those studies were blockholder ownership, proxied by the proportion of 5% or more shareholdings (Utama, 2012) or the largest individual shareholdings (Nuryaman, 2009), which is also deemed to measure owner-

ship concentration; state ownership and foreign ownership (Wang et al., 2008), and so on. In this study, the ownership structure was divided into blockholder ownership, managerial ownership, and public ownership.

Bapepam-LK requires every corporate annual report to enclose brief information regarding corporate governance practices in publicly listed company. That information should at least cover (1) the responsibilities, remunerations, meeting frequencies of board of commissioners and board of directors, (2) the responsibilities, profiles, and activities of the audit committee and other supporting committees, (3) the role and responsibilities, profile, and background of corporate secretary, (4) explanations regarding internal audit, internal control system, risk management system, important cases, sanctions, business ethics and corporate culture, shareholdings by management and/or employees, as well as whistleblowing system (Bapepam-LK, 2012). Although mandated by the regulator, corporate governance disclosure could be voluntary to the extent that the disclosed information is broader and more detailed. Therefore, it is somewhat beneficial to examine corporate governance practices in a corporation through the disclosure provided.

Business ownership can be one of many factors that are influential to corporate financial and non-financial practices. Through share ownership, shareholders may directly or indirectly impose certain things to a company, for example demanding particular information to be provided in the corporate disclosure. However, given that access to certain types of information may be limited to shareholders (Deegan, 2006), and given that different shareholders may use different information for decision making purposes, the ownership structure might have different influence on corporate disclosure. Therefore, studies related to business ownership are particularly interested in analyzing whether different structures of business own-

ership have different impact, particularly on corporate governance disclosure.

Eng & Mak (2003) assert that companies with low blockholder ownerships (i.e., more diffused) will be required to provide more information to the fact that monitoring mechanism is much needed in that situation. Moreover, Khlif et al. (2016) state that the agency conflicts between controlling shareholders and management are fewer, suggesting that corporate disclosures are less important for the controlling shareholders. Indeed, in their meta-analysis study Khlif et al. (2016) found that ownership concentration (i.e., blockholder ownership) is negatively influenced voluntary disclosure. Therefore, it is expected that when blockholder ownership which is the representation of controlling shareholders increase, the corporate governance disclosure will decrease.

H_{1a}: blockholder ownership has a negative influence on corporate governance disclosure

Similarly, Eng & Mak (2003) assert that companies whose managerial ownerships are low will be required to provide more information to mitigate agency problems. This is due to managers may have greater tendencies to expropriate or to shirk. In addition, Khlif et al. (2016) also state that in the existence of entrenchment effect, insider shareholders may reduce disclosures. In fact, they found that in Singapore, the influence of managerial ownership on voluntary disclosure is negatively significant. Comparably, Leung & Horwitz (2004) also found that in Hong Kong, the voluntary segment disclosure decreases whenever director ownership increases, and it is more profound among companies with poor performance. Additionally, the study of Baek et al. (2009) also found a negative impact of managerial ownership towards the level of disclosure of companies in S&P 500 index, suggesting that the increase in managerial ownership will decrease agency costs, which consequently decrease the level of disclosure. There-

fore, it is expected that as managerial ownership increases, the corporate governance disclosure will decrease.

H_{1b}: managerial ownership has a negative influence on corporate governance disclosure.

However, there has not been found any information regarding how the remaining general public ownership, usually categorized as minority shareholders, is related to corporate disclosure. Khlif et al. (2016) state that more dispersed shareholders would require more information to monitor the management. Consequently, because public ownership is more dispersed than other types of ownership, this study argues that public in general has little information regarding the operation of a company, thus demand more information to be provided. Hence, it is expected that as public ownership increases, the corporate governance disclosure will increase.

H_{1c}: public ownership has a positive influence on corporate governance disclosure.

Studies had also been performed regarding the relation between ownership structure and growth opportunities (Riahi-Belkaoui, 2001; López-Iturriaga & Crisóstomo, 2010; Ghalandari, 2013). López-Iturriaga & Crisóstomo (2010) argued that since dominant shareholders may have more control, they are more likely to exploit new projects which in the presence of growth opportunities will tend to be more profound. Ghalandari (2013) in particular found that the moderating effect of growth opportunities on the influence of ownership structure towards firm value is significant and non-linear, both in the presence and the absence of growth opportunities. This implies how growth opportunities can moderate the effect of ownership structure on possibly many other aspects. Given that there is no other study that has been examined the moderating effect of growth op-

portunities on the relation between ownership structure and corporate disclosure practices of a company, and drawing from the hypothetical relation between ownership structure and growth opportunities, the second hypotheses are:

- H_{2a}: Growth opportunities moderate the influence of blockholder ownership on corporate governance disclosure.
- H_{2b}: Growth opportunities moderate the influence of managerial ownership on corporate governance disclosure.
- H_{2c}: Growth opportunities moderate the influence of public ownership on corporate governance disclosure.

METHOD

The population of this study was the listed manufacturing companies in Indonesia on the year of 2013, which consists of 136 companies (Indonesian Stock Exchange, 2014). The sample observations are obtained based on several criteria: (1) manufacturing companies that were consistently listed on Indonesian Stock Exchange (IDX) in 2014, and (2) published financial reports in Indonesian Rupiah (IDR). Based on the above criteria, the sample selection can be seen in Table 1.

Table 1. Sampel Selection

	Firm Observations
Criteria:	
Listed manufacturing companies on 2013	136
Less:	
Delisting companies	2
Financial Statements not reported in IDR	28
Final Sample	106

The dependent variable in this study is corporate governance disclosure, and the independent variables are blockholder ownership, mana-

gerial ownership, public ownership, and growth opportunities. Corporate governance disclosure (CGDISC) is measured as an index, a proportion of all disclosed items. The index is calculated by giving a score of 1 to an item that is disclosed and 0 otherwise. Following Nuryaman (2009), the formula is:

$$CGDISC = \frac{\sum Q}{\sum S} \times 100\%$$

Where, CGDISC is the corporate governance disclosure index of a company; Q is the total items disclosed on the corporate governance disclosure section of the corporate annual report, and S is the maximum items of corporate governance disclosure expected to be disclosed in the corporate annual report.

Blockholder ownership (BLOCK) is measured by the largest percentage of shares owned by institutional or individual shareholders. Managerial ownership (MANOWN) is measured by the total proportion of shares owned by any member of the board of commissioners and/or the board of directors. Public ownership (PUBOWN) is measured by the total proportion of shares owned by the public, while the growth opportunities (GROWTH), which is the moderating variable, is measured by Market to Book Ratio.

There are three control variables in this study; they are financial performance, leverage, and firm size. Financial performance (ROA) is measured by return on assets which is the ratio of earnings divided by total assets, leverage (LEV) is measured by the ratio of total liabilities to total assets, and firm size (SIZE) is measured by natural logarithm of total assets.

Research Model

Model 1.

$$CGDISC_{it} = \beta_0 + \beta_1 MANOWN_{it} + \beta_2 BLOCK_{it} + \beta_3 PUBOWN_{it} + \beta_4 ROA_{it} + \beta_5 LEV_{it} + \beta_6 SIZE_{it} + \varepsilon_{it}$$

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Model 2.

$$CGDISC_{it} = \beta_0 + \beta_1 MANOWN_{it} + \beta_2 BLOCK_{it} + \beta_3 PUBOWN_{it} + \beta_4 GROWTH_{it} + \beta_5 MANOWN * GROWTH_{it} + \beta_6 BLOCK * GROWTH_{it} + \beta_7 PUBOWN * GROWTH_{it} + \hat{\alpha}_8 ROA_{it} + \beta_9 LEV_{it} + \beta_{10} SIZE_{it} + \varepsilon_{it}$$

RESULTS

Descriptive Statistics

The descriptive statistics of 106 observations are presented in Table 2. On average, the corporate governance sections in the annual report only contain approximately 49 percent of the total corporate governance disclosure items. The manufacturing companies disclosed at least 4 percent of the total items, while the highest disclosure is 92 percent. The blockholders owned approximately 50 percent of the total shares, indicating controlling interest over the average companies. On the other hand, the managerial ownerships were relatively low. Managements only owned around 3 percent of the outstanding shares of the companies, on average. The average companies had approximately 26 percent public ownership and experience around 4 percent growth. The profitability was approximately 6 percent and the average companies had Rp. 6,6 trillion in total assets (i.e., log natural of 28). The leverage was around 0.5 which indicates that, on average, the companies' debt is 50 percent of the total assets.

Table 3 presents the results of the impact of ownership structure on corporate governance dis-

closure. The Adjusted R-squared indicated that 23.2 percent of the change in corporate governance disclosure could be affected by the dependent variables.

The results of the first hypothesis testing showed that between the ownership structures analyzed in this study, only blockholder ownership had a significant influence on the corporate governance disclosure. The *p*-value was 0.022 which was significant in 0.05 level. The coefficient showed a negative sign, meaning when the ownership increased, the level of disclosure decreased. This supports hypothesis 1a.

Table 3. Ownership Structure and Corporate Governance Disclosure

Variables	Coefficients	P > t
BLOCK	-0.002*	0.022
MANOWN	0.000	0.903
PUBOWN	-0.002	0.080
ROA	0.002*	0.046
SIZE	0.044***	0.000
LEV	-0.061	0.260
Constant	-0.591*	0.025
Dependent	CGDISC	
Observations	106	
R-squared	0.276	
Adj. R-squared	0.232	
F-test	4.939	
Prob > F	0.0002	

Legend: *** *p*<0.001, ** *p*<0.01, * *p*<0.05

To analyze the moderating effect of growth opportunities on the impact of ownership structure to corporate governance disclosure, interac-

Table 2. Descriptive Statistics

Variable	Obs	Mean	Std. Dev.	Min	Max
CGDISC	106	0.488	0.159	0.040	0.920
BLOCK	106	50.634	23.594	10.170	98.180
MANOWN	106	3.239	9.983	0	77.790
PUBOWN	106	25.536	18.158	0	91.620
GROWTH	106	3.562	10.183	-29.670	79.650
ROA	106	6.225	12.004	-34.600	65.720
SIZE	106	27.967	1.551	24.530	33
LEV	106	0.522	0.386	0	2.730

tion variables between each ownership structure attribute and the growth opportunities were used. The problem that is obvious in the regression using interaction variables is the high possibility of multicollinearity. To avoid this problem, all of the predictor variables were centered by calculating the differences between each of the predictor variables and their means.

Table 4 presents the results of the regressions without and with the interaction variables. The overall results for both regressions showed that the models were significant given the probability F-tests are 0.000. The adjusted R-squared was 22.8% for the regression without interaction which then increased to 23.7% when using the interaction variables. This indicates that the existence of growth opportunities increased the explanatory power of the model.

Sensitivity Analysis

In a sensitivity analysis, the growth opportunities were separated on its mean and dummy

coded the higher than mean growth into 1 which represented high growth, and 0 otherwise, which represented low growth. The results on higher growth companies showed similar findings with a slightly higher coefficient of determination (i.e., 24.3%). However, unlike previous results, blockholder ownership did not show a significant influence anymore, but public ownership did. Nevertheless, the interaction between managerial ownership and growth opportunities was consistently negative and significant. It can be argued that there might be a trade-off between investing on company growth and providing information; therefore, management might choose to reduce the information disclosed, which was especially evident in higher growth companies.

DISCUSSION

Ownership Structure and Corporate Governance Disclosure

Blockholders can be observed as the most sophisticated shareholders of a company. They

Table 4. Ownership Structure, Growth Opportunities, and Corporate Governance Disclosure

Variables	Without Interaction		With Interaction	
	Coefficients	P > t	Coefficients	P > t
BLOCK	-0.002*	0.019	-0.002*	0.041
MANOWN	0.000	0.881	0.002*	0.016
PUBOWN	-0.002	0.073	-0.001	0.203
GROWTH	-0.001	0.455	0.001	0.782
BLOCK*GROWTH			0.000	0.633
MANOWN*GROWTH			-0.001***	0.000
PUBOWN*GROWTH			0.000	0.090
ROA	0.003*	0.028	0.002	0.208
SIZE	0.044***	0.000	0.047***	0.000
LEV	-0.057	0.289	-0.056	0.326
Constant	-0.726**	0.008	-0.791**	0.007
Dependent		CGDISC		CGDISC
Observations		106		106
R-squared		0.279		0.309
Adj. R-squared		0.228		0.237
F-test		4.364		17.20
Prob > F		0.000		0.000

Legend: *** p<0.001, ** p<0.01, * p<0.05

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own the largest portion of the company's share which in this study was approximately 50% of the total shares. This indicates that on average they have controlling interest over the company. Being the largest shareholders, they might have better access to the inside information which makes them better informed relative to other shareholders. Arguably, having a privilege of possessing extensive information about the company, this type of shareholders might desire less disclosure on the corporate annual report. The result is consistent with the study of Khlif et al. (2016). It is parallel with the argument of Kim (1993) and Eng & Mak (2003) which state that shareholders with better information might desire less disclosure. As a consequence, minority shareholders who have less access to inside information and whose interests are not met by the disclosure decision of a company will tend to exercise pressure to regulatory bodies in imposing regulation to increase the level of disclosure.

Among the control variables, ROA and SIZE showed positive and significant influence on cor-

porate governance disclosure (p -values equal to 0.046 and 0.000 respectively). This indicates that a larger and more profitable company tends to disclose more information. It is most likely that larger companies tend to receive more attention from the stakeholders, and more profitable companies have the capacity to absorb more costs than their counterparts (Wang et al., 2008).

Ownership Structure, Growth Opportunities, and Corporate Governance Disclosure

In the presence of growth opportunities, two of the ownership structure attributed in this study (i.e., blockholder ownership and managerial ownership) significantly affected corporate governance disclosure. The influence of blockholder ownership was negative, consistent with the previous hypothesis testing. Nevertheless, the influence of managerial ownership on corporate governance disclosure was positive which was an indication of more information would be provided as the managerial ownership increased.

Table 5. Sensitivity Analysis

Variables	Without Interaction		With Interaction	
	Coefficients	P > t	Coefficients	P > t
BLOCK	-0.002*	0.019	-0.001	0.089
MANOWN	0.000	0.881	0.003**	0.004
PUBOWN	-0.002	0.073	-0.002*	0.036
GROWTH	-0.001	0.455	-0.000	0.852
BLOCK_HIGROWTH			-0.001	0.204
MANOWN_HIGROWTH			-0.005***	0.000
PUBOWN_HIGROWTH			0.001	0.232
ROA	0.003*	0.028	0.003*	0.030
SIZE	0.044***	0.000	0.047***	0.000
LEV	-0.057	0.289	-0.043	0.423
Constant	-0.726**	0.008	-0.708**	0.010
Dependent		CGDISC		CGDISC
Observations		106		106
R-squared		0.279		0.315
Adj. R-squared		0.228		0.243
F-test		4.364		11.420
Prob > F		0.000		0.000

Legend: *** $p < 0.001$, ** $p < 0.01$, * $p < 0.05$

The results also showed that the interaction variable between managerial ownership and growth opportunities was significant, thus supported hypothesis 2b that growth opportunities moderated the influence of ownership structure on corporate governance disclosure. However, there was no evidence that growth opportunities moderated the impact of blockholder ownership and public ownership. Although it was evident that growth opportunities moderated the impact of managerial ownership on corporate governance disclosure (p -value was significant on 0.001 level), the influence was negative. There was an indication that in a growing company where the managerial ownership increased, the management would have the tendency to reduce the corporate governance information they provided to the stakeholders. The findings are similar to those of Baek et al. (2009), Eng & Mak (2003), Khlif et al. (2016), and Leung & Horwitz (2004), although growth opportunities are not present in those studies. Besides this could be driven by competitive reasons (Nuryaman, 2009), the tendency to reduce information is also aligned with the arguments of Eng & Mak (2003) and Baek et al. (2009) who state that managerial ownership can be a mechanism to reduce agency costs, thus whenever managerial ownership increase, the agency costs will decrease, thus consequently decrease the level of disclosure. Among the control variables in this model, only size had a positive and significant influence on corporate governance disclosure, which was consistent with previous test.

CONCLUSION AND SUGGESTION

Conclusion

This study revisited the relation between ownership structure and corporate disclosure, in the presence of growth opportunities. Particularly, it was to examine the effect of growth opportunity on the relation between blockholder owner-

ship, managerial ownership, public ownership, and corporate governance disclosure.

Blockholders are shareholders with the largest share ownership which might have better access to information and might be more informed relative to other shareholders. Thus, they might require less disclosure on the corporate annual report. Managerial ownership on the other hand is ownership held by management, and public ownership refers to shares owned by the public. The results showed that there was a negative influence of blockholder ownership towards corporate governance disclosure, which was consistent with previous theory. On the other hand, managerial ownership and public ownership did not show significant results.

In the presence of growth opportunities, blockholder ownership and managerial ownership significantly affected corporate governance disclosure. Consistent with previous hypothesis testing, the main effects showed that the influence of blockholder ownership was negative. However, it was significantly positive between managerial ownership and corporate governance disclosure, indicating that increased ownership would result in more disclosure.

The results concerning the interaction between managerial ownership and growth opportunities was negative and significant, thus it is evident that growth opportunities moderated the influence of ownership structure on corporate governance disclosure. There was an indication that in a growing company where the managerial ownership increased, the management would have the tendency to reduce the corporate governance information they provided to the stakeholders, which could be for competitive reasons. However, the evidence that growth opportunities moderated the relation between ownership structure and corporate governance disclosure was absent among blockholder ownership and public ownership.

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Among the control variables, ROA and SIZE were positive and significant in the first hypothesis testing. The results indicate that a larger and more profitable company tends to disclose more information, because larger companies generally receive more attention from the stakeholders, and more profitable companies may have the capacity to bear more costs. The positive and significant result of SIZE was consistent when testing the second hypothesis.

Suggestion

The practical implications of this study would be two folds. First, for manufacturing companies there are indications that blockholder ownership and managerial ownership could serve as monitoring mechanisms, in order to mitigate agency costs between inside and outside shareholders. Second, given that there is no study that has examined the moderating effect of growth opportunities towards the relation between ownership structures and corporate disclosure practices could be an indication that the accounting field might flourish with more possible investigations related to the role of growth opportunities on ownership structure or corporate disclosure practices.

There are several limitations of this study. First, the period of study was only for one period and the sector was exclusive to manufacturing industries, which confined the results to have low external validity. This study did not examine the non-linear relationship between ownership structure and disclosure, which could be a suggestion for future study. It is also limited to the corporate governance disclosure which is relatively a small part of corporate disclosures. Future study can expand to other information provided in the corporate financial and non-financial disclosures.

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