

Abstract

This study aimed to analyze and obtain empirical evidence about the influence of company characteristic to the extent of voluntary disclosure. The dependent variable of this study is voluntary disclosure as measured by index of completeness of voluntary disclosure. The independent variables of this study are company size as measured by total asset, profitability as measured by return on equity, and leverage as measure by debt to asset ratio. This study uses control variable, namely nature of regulation. The population in this study is LQ45 companies listed in Indonesia Stock Exchange (IDX) period 2013-2017. Sampling method in this study is purposive sampling. Criteria for company are LQ45 companies that publish their annual financial statement in units of Rupiah and have positive profits during consecutive year from 2013-2017. The total sample in this study was 23 companies and the total data that has been analyzed was 115. The analysis technique used is multiple linear regression analysis with classical assumption. The analysis showed that company size does not have significant influence to voluntary disclosure. Meanwhile, leverage and profitability does have significant influence to voluntary disclosure. In this study, there are 3 implications. The first implication is company size does not influence voluntary disclosure. Therefore, for prospective investors do not always assume that large companies will be better for investment because both large and small companies already disclose their financial statements broader enough. The second implication is leverage does significantly influence voluntary disclosure. For prospective investors, leverage can consider as investment decision making because the higher the leverage level, the riskier the company financial condition. In other words, the financial condition is not good and tends to be unsafe to invest in the company. The third implication is profitability does significantly influence voluntary disclosure. Profitability can consider as investment decision making for prospective investor because the higher level of profitability, the higher the return obtained for investors.

Keywords: Voluntary Disclosure, Company Size, Leverage, Profitability, Nature of Regulation