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THE EFFECT OF VOLUNTARY DISCLOSURE ON CORPORATE VALUES MODERATED BY INDEPENDENT BOARD OF COMMISSIONERS AND MANAGERIAL OWNERSHIP

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Abstract
This study aims to look at the effect of voluntary disclosure to the company's value in moderation by independent board and management ownership, studies on real estate and property listed on the Indonesia Stock Exchange.

This study uses a quantitative method that examines the effect of voluntary disclosure to the value of the company. This study was conducted at 37 real estate and property companie listed on the stock exchanges in Indonesia. The variables used in this study are the dependent and independent variables, this study also uses four moderating variables; firm size, liquidity, profitability, and laverage. Data were analyzed using multiple regression analysis, followed by a moderated regression analysis.

The results of this study indicate that the voluntary disclosure does not significantly affect the value of the company, as well as with four (4) other control variables that measure companies, liquidity, profitability, and leverage does not affect the value o fthe company. In five of these variables ANOVA test together affect the value of the company. The moderating variables used in this study the independent board and management ownership, the two variables are able to strengthen the relationship between the voluntary disclosure of the value of the Performance Management with significant value for independent board amounted to 0.006 and for property management amounted to 0,035 testing parsial for moderating variables also giving a significant impact on the value of the company.
Keywords: voluntary disclosure, company value, management ownership, independent board.

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INTRODUCTION

Nowadays, the economy world has experienced a lot of development over time. The development of the economic environment has a lot of influence on the business world and creates fierce competition in the business world. To be able to compete, companies are expected to be more transparent in disclosing company information.

The tight business competition requires many companies in Indonesia to be more transparent in disclosing company information. Increased demand and interest for other parties makes the provision of extensive information in financial statements conducted by the company a necessity. An information is considered informative if the information is relevant and can change beliefs and can form new trust for stakeholders in making decisions.

Information published includes financial and non-financial information. As an interested party, investors need transparency and accountability of information provided for the basis of their investment decision making (Uyar and Merve, 2012). According to the Organization for Economic Cooperation and Development (OECD), Indonesia is one of the developing countries which is estimated to have the fastest economic growth among other ASEAN countries in the period 2014-2018, so that Indonesia is one of the goals of other countries to invest, one of which is investment in the capital market. However, from a previous study revealed that in Indonesia seen from the Composite Stock Price Index (CSPI) of the Indonesia Stock Exchange in recent years showed significant performance, but this was not followed by public interest in investing in the stock market. This is due to several factors including investment risk and other factors are the lack of education and understanding of the community as potential investors to make an assessment of the information that has been presented by the company.

Companies need capital to support the operational activities of the company, this can be obtained by selling the company's shares to external parties, namely investors and creditors. But investors and creditors will only invest their funds in companies that can provide benefits and security for their investments. Therefore, investors need relevant and accurate information to support safe and profitable decision making. For this reason, disclosure is needed that contains information about company performance that can be trusted (Nuswandari, 2009).

In Indonesia BAPEPAM issued a regulation through Bapepam chairman's decree No.86 of 1996 regarding disclosure of information that must be announced to the public that reads: "Every public company or issuer whose registration statement has become effective, must submit to Bapepam and announce to the public as soon as possible, at the most no later than the second (second) work after the decision or the availability of information or material facts that may affect the value of the company's securities or investment decisions of investors.

LITERATURE REVIEW

Signaling theory explains why companies have the drive to provide financial statement information to external parties. The concept of signaling theory was first described by Akerlof (1970), who described the gap between the sender and receiver of information. Akerlof (1970) examined the relationship between various levels of product quality and the inability of buyers to know the level of product quality before making a purchase. Akerlof (1970) sees that in a market, the average value of a commodity tends to decrease, even in good quality goods. This is due to the asymmetry of information that is used by certain parties by "juggling" goods (such as making replicas) and deceiving buyers. This results in an adverse selection, which is the selection of decisions based on weak information. Buyers who avoid fraud will refuse to make transactions in a market like this.

Agency theory is a concept that explains the contractual relationship between principal and agent. Jensen and Meckling (1976) define agency theory as a contract in which one or more people (principal) employ another person (agent) to provide a service and then delegate decision making authority to the agent. If both parties in the principal-agent relationship seek to maximize their utility, then there is good reason to believe that the agent will not always act in the best interests of the principal. Therefore the principal needs to create a system that can monitor the behavior of agents to act according to their expectations. Principals can limit deviations from their interests by establishing appropriate incentives for agents and by issuing oversight costs designed to limit the activities of agents who deviate.

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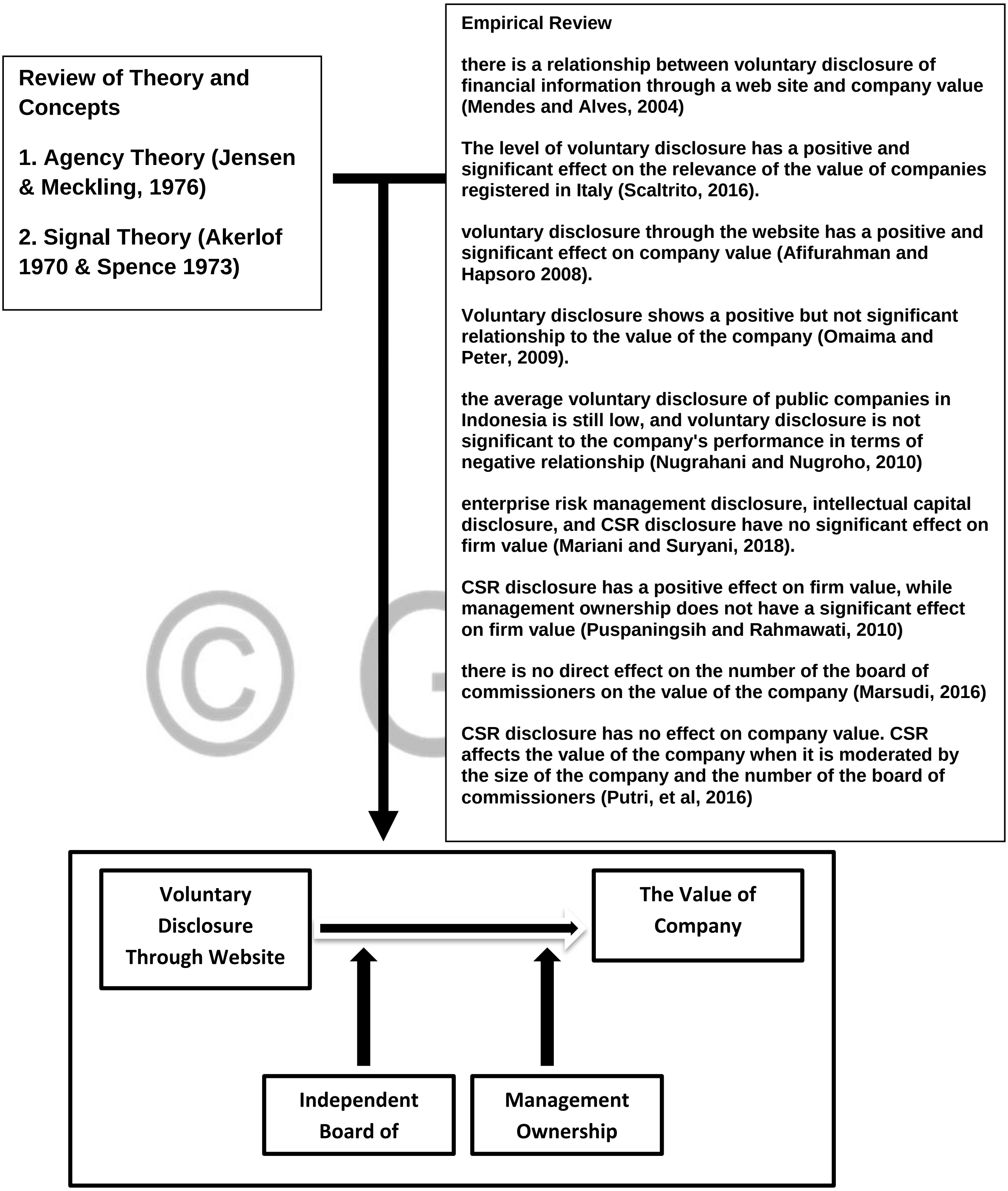

Conceptual Framework

RESEARCH METHODOLOGY

Data analysis in this study uses Moderate Regression Analysis (MRA) or interaction test is a special application of linear multiple regression where the regression equation contains interaction elements (multiplication of two or more independent variables). This analysis technique examines whether ownership of management and an independent board of commissioners can strengthen the effect of voluntary disclosure through the website on company value The data analysis steps undertaken in this study are as follows.

1. Descriptive Statistics Analysis

Descriptive statistics provide a description or description of a data that is seen through means (mean), standard deviation, variance, maximum, minimum, sum, range, kurtosis, and skewness (Ghozali, 2012: 19). This analysis helps illustrate the true state of a study by providing information about the data it has and not drawing any conclusions at all.

2. Classical Assumption Test

Prior to multiple regression testing, the classical assumptions of normality, multicollinearity, outocorrelation and hetroskedacity were tested.

a. Normality test

The normality test aims to test whether the confounding or residual variables in the regression model have a normal distribution of Ghozali, (2012). There are two ways to detect residuals that are normally distributed or not, namely through statistical tests and graph analysis. The normality test in this study was carried out through Kolmogrov-Smirnov (K-S) non-parametric statistical test and graph analysis. If the K-S value is above 0.05 then it has a normal distribution, but if the K-S value is below 0.05 then it is not normally distributed. Other tests, namely graph analysis, are performed by looking at the histogram graph display and the plot normal graph. Data is normally distributed if the histogram graph shows a normal distribution pattern. Whereas in the normal plot graph, the data is said to be normally distributed if the data spreads around the diagonal line and follows the direction of the diagonal line.

b. Multicollinearity Test

Multicollinearity occurs if the independent variables are correlated with one another, causing the wrong conclusions. Multicollinearity test aims to test the presence or absence of correlation between independent variables (independent). A good regression model should not occur correlation between independent variables. Multicollinearity can be seen from the value of tolerance and variance inflation (VIF). If the value of tolerance = 0.10 and the value of VIF = 10, then it shows the existence of multicollinearity.

c. Heteroscedasticity Test

Heteroscedasticity test aims to test whether in the regression model there is an inequality of variance from the residuals of one observation to another. If the variance from one observation residual to another observation is fixed, then it is called homoscedasticity and if different is called heteroscedasticity. A good regression model is homoscedasticity or heteroscedasticity does not occur.

One way to detect the presence or absence of heteroscedasticity is to look at the plot graph between the dependent variable predictions, namely ZPRED and the residual SRESID. Detection of the presence or absence of heteroscedasticity can be done by looking at the presence or absence of certain patterns on the scatterplot graph between SRESID and ZPRED. The Y-axis is the predicted Y, and the X-axis is the residual (real Y-predicted Y) that has been studentized.

3. Hypothesis Testing

The hypothesis in this study was tested using multiple regression analysis (multiple regression analysis), using SPSS Version 21 software. Multiple regression analysis aims to examine the effect of two or more independent variables (explanatory) on one dependent variable. The regression model used in this study is shown in the following equation.

Q = a + Disc + Size + Lev + Profit + Lik + KM + DKI + e (1)

Q = a + Disc + KM + DKI + (Disc x KM) + (Disc x DKI) + e (2)

Information:

Q = company value

a = constant

b1, b2, b3, b4, b5, b6, b7 = regression coefficients

disc = voluntary disclosure

KM = management ownership

DKI = independent board of commissioners

Size = company size

Lev = leverage

Profit = profitability

Lik = liquidity

e = error

DISCUSSION

The results of testing the first hypothesis indicate that the voluntary disclosure variable which is proxied by the total items disclosed divided by the total number of items that must be disclosed has a positive effect on firm value. This is evident from the coefficient value of the voluntary disclosure variable of 0.174 with a significance level of 0.400 which is greater than 0.05. The results of the study do not support the first hypothesis and show that the greater the amount of voluntary disclosure made by the company, it will not increase the value of the company.

The results of this study support the results of research conducted by Mendes and Alves (2004) studying 291 non-financial companies listed on the Sao Paulo Brazil stock exchange showing that there is a relationship between voluntary disclosure of financial information through the website and the company's value. The same research results were also shown by Marsudi (2016) testing the number of boards of commissioners against the value of the company through the voluntary level of GCG disclosure. The results show that there is no direct effect on the number of the board of commissioners on company value and voluntary GCG disclosure has no effect on company value. In addition, Omaima and Peter (2009) who conducted research on the relevance value of company disclosures with studies in the Egyptian capital market found that voluntary disclosures showed a positive but not significant relationship to firm value.

Based on agency theory, large companies with a large number of stakeholders will need fast, easy and accurate information to support decision making. Website can be a very efficient and satisfying means for companies to convey information to stakeholders quickly and cheaply in an effort to reduce the amount of agency cost. Problems occur when voluntary information is not used by the public and potential investors so that the amount at least the amount disclosed by the company will not affect the value of the company

Another reason thought to underlie the emergence of a positive but insignificant relationship between voluntary disclosure and corporate value is that companies with fewer disclosures tend not to have much information to support them in investing in information systems (including in the creation and management of company websites). The information support they have in the end does not support the company to be more ogled by investors so that the stock price is not affected by voluntary information.

Based on the theory of corporate signals that the number of voluntary disclosures has a higher complexity, so that more financial and non-financial information for companies to make investment decisions more effectively is the problem when the information is not utilized properly or instead gives an interest in terms of utilizing information which exists. In addition, the voluntary information disclosed by the company may be used by competing companies, which in turn increases the value of their company but does not bring any impact on the company concerned or the information may become material to bring down the value of the company itself. From these results it can be concluded that voluntary disclosure has a positive but not significant effect on firm value. The results of testing the third hypothesis indicate that the interaction between voluntary disclosure variables with the independent board of commissioners affects the value of the company. These results are shown through the coefficient value of -0.166 with a significance of 0.040. This means that if the interaction between the voluntary disclosure variables and the board of independent commissioners increases by one unit, the company value will be negative -0,166. From the results of this study it can also be seen that the independent board of commissioners as a moderating variable succeeded in changing the direction of the relationship between voluntary disclosure of company value which initially showed a positive relationship turned into a positive relationship. These results support the third hypothesis which states that the interaction between the independent board of commissioners with the independent variable under study, namely voluntary disclosure, can moderate the voluntary disclosure variable to firm value.

The negative value prediction indicates that the moderating effect is negative, meaning that the independent board of commissioners has the effect of reducing the effect of voluntary disclosure on company value. This can be seen from the coefficient value of -0.166. Previously, based on the results of the study it was concluded that voluntary disclosure had a positive effect on firm value variables. However, after adding the independent commissioner variable as a moderating variable, the results showed that the interaction between voluntary disclosure and the independent board of commissioners actually showed a change in direction to a negative relationship.

When associated with signal theory, high voluntary disclosures are good news that will be a concern of stakeholders, because a high level of voluntary disclosure is considered to have an impact on the company's prospects going forward. Therefore, management will tend to increase disclosure in disseminating financial information, so that it triggers the high value of the company. In the case of independent board of commissioners, more and more independent board of commissioners in the company will show that the quality of information disclosure can also be decreased. One of the principles of the independent board of commissioners is disclosure, which is the presentation of information to stakeholders regarding various matters relating to operational performance, financial, business risk of the company, and information that is voluntary in nature that will benefit the company's value. With the small number of independent commissioners owned by the company, it could further improve the quality of information disclosed, because the fewer independent commissioners the company has, it will tend to increase voluntary disclosure which will ultimately increase the value of the company as well.

Based on the description above it is concluded that the independent board of commissioners moderates the relationship between voluntary disclosure and company value with a negative relationship direction.

The second hypothesis testing results show that management ownership is a moderating variable between voluntary disclosure and firm value. This is evident from the statistical output which shows a coefficient of 0.445 with a significance of 0.006. This means that if the interaction between voluntary disclosure variables and management ownership increases by one unit, the value of the company will increase by 0.445. From these results it can also be seen that management ownership as a moderating variable has succeeded in changing the direction of the relationship between voluntary disclosure and firm value which initially showed R square 0.198 after being interacted with voluntary disclosure changed to 0.227 which means management ownership strengthens the relationship between voluntary disclosure and company value . These results support the third hypothesis that management ownership can moderate the relationship between voluntary disclosure variables and firm value.

Positive values indicate that the moderation effect is positive, management ownership has the effect of adding the effect of voluntary disclosure to the value of the company. This can be seen through the coefficient value of 0.445. When associated with agency theory, larger companies have higher information asymmetries between managers and shareholders. Marston and Polei (2004) state that larger companies have higher complexity so investors need more corporate financial information to make more effective investment decisions. This should encourage management to disclose more financial information in order to reduce information asymmetry. This is supported by the results of Ramadhani and Basuki's study (2012) examining the relationship between CSR as voluntary disclosure and company value moderated by management ownership percentage variables. The results show that management ownership percentage is able to moderate the influence of CSR on firm value.

Based on agency theory, it is known that the interests of managers as managers of companies will be different from those of shareholders. Managers can take the actions needed to increase their personal interests, as opposed to efforts to maximize the value of the company. For this reason, ownership of shares by management is needed so that management acts in accordance with the interests of the company, namely increasing value, not based on personal interests. If share ownership by management increases, the value of the company will also increase. In addition, with managerial ownership, managers will disclose more information to reduce agency costs, which is the cost of supervision borne by shareholders to prevent agency problems, reducing agency problems will increase the value of the company.

CONCLUSION

Based on the analysis of the role of management ownership and the board of independent commissioners on the relationship of voluntary disclosure and on company value, the conclusion can be drawn as follow;

1. Voluntary disclosure is a variable that does not have a significant effect on firm value but the direction of the relationship is positive. The alleged reason for the emergence of a positive but insignificant relationship between voluntary disclosure and company value is that companies with fewer disclosures tend not to have much information to support them in investing in information systems (including in the creation and management of company websites). The information support they have ultimately does not support the company to be more ogled by investors so that the share price is not affected by voluntary disclosure of information.
2. Management ownership is able to moderate the relationship between voluntary disclosure and corporate value, the direction of the positive relationship. Based on agency theory, it is known that the interests of managers as managers of companies will be different from those of shareholders. Managers can take the actions needed to increase their personal interests, as opposed to efforts to maximize the value of the company. For this reason, ownership of shares by management is needed so that management acts in accordance with the interests of the company, namely increasing value, not based on personal interests. If share ownership by management increases, the value of the company will also increase. In addition, with managerial ownership, managers will disclose more information to reduce agency costs, which is the cost of supervision borne by shareholders to prevent agency problems, reducing agency problems will increase the value of the company.
3. The independent board of commissioners moderates the relationship between voluntary disclosure and company value, but the direction of the relationship is negative. This then explains that a small independent board of commissioners

will increase the number and quality of disclosures which will ultimately be able to increase the value of the company.

Based on an analysis of the role of management ownership and the board of independent commissioners on the relationship of voluntary disclosure and on company value, the following conclusions can be drawn.

1. Voluntary disclosure is a variable that does not have a significant effect on firm value but the direction of the relationship is positive. The alleged reason for the emergence of a positive but insignificant relationship between voluntary disclosure and company value is that companies with fewer disclosures tend not to have much information to support them in investing in information systems (including in the creation and management of company websites). The information support they have ultimately does not support the company to be more ogled by investors so that the share price is not affected by voluntary disclosure of information.

2. Management ownership is able to moderate the relationship between voluntary disclosure and corporate value, the direction of the positive relationship. Based on agency theory, it is known that the interests of managers as managers of companies will be different from those of shareholders. Managers can take the actions needed to increase their personal interests, as opposed to efforts to maximize the value of the company. For this reason, ownership of shares by management is needed so that management acts in accordance with the interests of the company, namely increasing value, not based on personal interests. If share ownership by management increases, the value of the company will also increase. In addition, with managerial ownership, managers will disclose more information to reduce agency costs, which is the cost of

supervision borne by shareholders to prevent agency problems, reducing agency problems will increase the value of the company.

3. The independent board of commissioners moderates the relationship between voluntary disclosure and company value, but the direction of the relationship is negative. This then explains that a small independent board of commissioners will increase the number and quality of disclosures which will ultimately be able to increase the value of the company.

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