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Ownership Structure and Foreign Commissioners for Human Resources Accounting Disclosures

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Abstract: *This study aims to examine the influence of foreign ownership, family ownership as well as the existence of foreign board commissioner on the human resource accounting disclosure (HRAD). This research uses the control variable, which are SIZE, CAR, LDR, and AGE. This study uses secondary data obtained from the Indonesia Stock Exchange (BEI). HRA disclosure was measured using the Mamun index. The research sample are banking company that listed in BEI period 2011-2014 chosen by purposive sampling method. The total annual report of the company used for the analysis was 133 reports. This research uses panel data with fixed effect test. Data analysis methods in the study using multiple linear regression. The ownership structure (foreign ownership and family ownership) are classified the percentage ownership of 20%, 30%, and 50%. The third independent variable is the foreign board of commissioners. The result of foreign ownership measurement at an ownership level> 20% and> 30% do not affect. Otherwise, foreign ownership at ownership level> 50% shows a negative influence on HRA disclosure. Family ownership measuring> 20% has a negative impact on HRA disclosure at 10% significance while using> 30% and 50% measurements does not affect. The existence of a foreign board of commissioners positively influences the disclosure of HRA. Control variables in this research that is SIZE and AGE have positive impact on HRA disclosure. While the CAR has no effect and the LDR negatively affects the 10% significance of HRA disclosure. In conclusion the higher the ownership will lead to the ultimate shareholder company. This affects the relationship to information disclosure.*

Keywords: *HRAD, Ownership Structure, Foreign Commissioner, Banking Company*

Intisari: *Penelitian ini bertujuan untuk menguji pengaruh kepemilikan asing, kepemilikan keluarga serta keberadaan dewan komisaris asing pada pengungkapan akuntansi sumber daya manusia (HRAD). Penelitian ini menggunakan variabel kontrol, yaitu SIZE, CAR, LDR, dan AGE. Penelitian ini menggunakan data sekunder yang diperoleh dari Bursa Efek Indonesia (BEI). Pengungkapan HRA diukur menggunakan indeks Mamun. Sampel penelitian adalah perusahaan perbankan yang terdaftar di BEI periode 2011-2014 yang dipilih dengan metode purposive sampling. Total laporan*

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tahunan perusahaan yang digunakan untuk analisis adalah 133 laporan. Penelitian ini menggunakan data panel dengan uji fixed effect. Metode analisis data dalam penelitian menggunakan regresi linier berganda. Struktur kepemilikan (kepemilikan asing dan kepemilikan keluarga) diklasifikasikan kepemilikan persentase 20%, 30%, dan 50%. Variabel independen ketiga adalah dewan komisaris asing. Hasil pengukuran kepemilikan asing pada tingkat kepemilikan> 20% dan> 30% tidak berpengaruh. Jika tidak, kepemilikan asing pada tingkat kepemilikan> 50% menunjukkan pengaruh negatif pada pengungkapan HRA. Pengukuran kepemilikan keluarga> 20% memiliki dampak negatif pada pengungkapan HRA pada tingkat signifikansi 10% sementara menggunakan> 30% dan pengukuran 50% tidak berpengaruh. Keberadaan dewan komisaris asing secara positif mempengaruhi pengungkapan HRA. Variabel kontrol dalam penelitian ini yaitu SIZE dan AGE memiliki dampak positif pada pengungkapan HRA. Sementara CAR tidak berpengaruh dan LDR berpengaruh negatif terhadap 10% signifikansi pengungkapan HRA. Kesimpulannya semakin tinggi kepemilikan akan menyebabkan perusahaan pemegang saham utama. Ini mempengaruhi hubungan untuk pengungkapan informasi.

Kata kunci: *HRAD, Struktur Kepemilikan, Komisaris Asing, Perusahaan Perbankan*

1. Introduction

Human resource is a critical asset in determining the success of the company's activities. Human resources are not only included in the corporate philosophy but on strategic planning (Ellitan, 2002). Human resource accounting (HRA) development is required to provide accurate corporate financial statements as a reference to the decision (Brummet et al., 1968). External HRA reporting can provide an important role to facilitate the proper utilization of human resources in the organization (Mamun, 2009). The value of an organization's human resources is difficult to measure in monetary units. Constraints in these measurements make it difficult for stakeholders to obtain important information related human resources of their organizations (Hossain, Khan & Yasmin, 2004).

Regulations relating to human rights in employment relations are governed by Article 28D (2) of the 1945 Constitution "Everyone shall have the right to work and receive fair and appropriate remuneration and treatment in the employment relationship". Article 6 No 13 of the 2003 Law on Manpower states: "Every worker/laborer shall have the right to equal treatment without discrimination from employers". Article 28 No 13 of the Law of 2003 provides for the employment of 1% of disabled persons who meet the qualifications of the total number of employees. Companies will certainly try to comply with existing Indonesian regulations. Companies that have met the regulatory criteria according to resource-based theory will reveal their goal. This is because the achievement of the regulation is a competitive advantage that provides value added to stakeholders.

HRA disclosure in Indonesia is governed by Bapepam-LK regulation. PSAK No. 19 states that intangible assets are non-monetary assets that are identifiable and have no physical form and are held for use in the production or delivery of goods or services leased to other parties, or for administrative purposes (Institute of Indonesian Chartered Accountants, 2009). The role of accounting science in formulating the disclosure of human resources by the organization becomes very important. The company's annual report is a disclosure medium often used by management to submit information. The disclosed information is expected to be used as part of corporate management communication to stakeholders.

The reporting aspect of HRA in a developing country like Indonesia is a very new concept. Mamun (2009) examines the practice of HRA disclosure as well as the influence of firm characteristics on the practice of HRA disclosure. The sample in this study is a financial and non-financial company in Bangladesh. The research results show that the average Bangladesh firm expresses 25% of the reporting items available in the HRA disclosure model. Enofe et al. (2013) give results that companies in Nigeria reveal about 20% -40% HRA of the Mamun model. Sharma and Kumar (2014) provide evidence that public sector collectors disclose better information relating to the practice of human resources compared to private banks. Enyi and Akindehinde (2014) find that there is a need to appreciate human assets and reflect this value in financial statements like other intangible assets. Also, Widodo's (2014) study found that firm characteristics (size, product diversification, and age) affected HRA disclosure.

Foreign ownership in Indonesian banking companies during the period 2011-2014 is quite a lot. The research data shows 55% of the foreign ownership of ownership of banking companies above 20%. It is feared if a sudden capital reversal will disrupt domestic economic stability. Such indications are expected to affect the management of foreign parties to disclose the information appropriately. The existence of foreign citizens in the company board commissioners into consideration of researchers concerning human resource accounting disclosure.

Family firms have unique structures that influence voluntary disclosure of information. First, family firms tend to invest in a more extended period than other shareholders (Villalonga and Amit, 2006). This results in family ownership taking advantage of the speed of information received such as trading profits and increased or reduced the percentage of ownership. Family ownership is also prepared to bear if at times the potential costs, cost of ownership and costs arise as a result of management pressure. Such circumstances allegedly will affect companies related to information disclosure.

Various researches related to the disclosure of HRA have been conducted although the numbers are still limited both outsides and within the country (Mamun, 2009; Enofe et al., 2013; Sharma and Kumar, 2014; Enyi and Akindehinde, 2014; Widodo, 2014; Cendika and Sawarjuwono, 2014). There is research that states that the characteristics of companies affect the disclosure of HRA (Mamun 2009, Widodo 2014). In the HRA disclosure literature, research on ownership structures such as foreign ownership and family ownership, as well as the board of foreign commissioners are still not much to investigate. However, in research beyond the disclosure of HRA, foreign ownership and family ownership have been studied extensively on the cost of equity and debt costs (Rebecca and Siregar, 2012), firm value (Harahap and Wardhani, 2012), earnings quality (Putri, 2012), profitability and value of the company (Hariyanto and Juniarti, 2014), IFRS (KPMG, 2007; Bruggemann et al., 2009; Yu, 2009; DeCond et al., 2011; (Bradshaw et al., 2004), adoption of voluntary international accounting standards (Covrig et al., 2007) and timeliness of financial reporting (Kartikasari, 2015).

In this study, the researchers chose a sample of banking companies because human resources (HR) in banking companies is different from other sector companies. Management of human resources bank is so crucial because human resources are the backbone in running the operational wheel activities of the organization. Human resource management that treats human beings following the prevailing norms will provide a sense of justice to the people involved. Mamun (2009) and Enofe et al. (2013) shows that financial firms tend to disclose more human resource information than non-financial companies. The results of Sharma and Kumar (2014) found that state-owned banks disclose more human resource accounting than private banks.

Based on the description above, this study aims to examine the influence of ownership structure and the presence of foreign commissioners on the disclosure of HRA to banking companies in Indonesia. The study examined the ownership structure, especially foreign ownership and family ownership, foreign commissioners to the disclosure of HRA.

2. Theoretical Framework and Hypotheses Development

Human resource accounting (HRA) is the process of identifying and measuring data about human resources and communicating information to stakeholders (Mamun, 2009). One of the notions of human resources according to Nawawi (2008) is the potential that is an asset and serves as capital (non-material / non-financial) within the business organization. Flamholtz (1999) states People are not an asset, the service people are expected to provide to an organization compromise the asset. The human set in the HRA is then employee services provided for the company's operations. Employee services include human resources in the form of skills, knowledge, and experience and then synchronized with assets through the calculation of costs. Thereby assessing human resources is about human investment as an asset and not human treatment as an asset.

HRA has been the focus of academic research attributed to an increasing recognition of the inherent importance of socially responsible stakeholders and responsible corporate behavior towards the environment. Barney (1991) notes that HRA has assisted in solving most of the employee-related issues in corporate organizations. Human resource management that treats humans following prevailing norms will provide a sense of justice to the people involved. Humane treatment will provide a strong motivation to employees to advance the company. The sense of ownership has increased so that a strong motivation will be able to increase the productivity of its employees.

The asset is a sustainable competitive advantage if the company has human resources that cannot be imitated or substituted by its competitors. Flamholtz et al., (2002) adds that there must be a long-term perspective in managing people and insisting that humans should be considered an asset rather than just a cost variable. The 2013 Women's Research found that the impact of human resource disclosure affects the company's reputation.

Wernerfelt (1984) explains that in the view of Resource-Based Theory companies will excel in business competition by owning, mastering and utilizing critical strategic assets. Belkaoui (2003) states a potential strategy for improving the company's performance is by bringing together tangible assets and intangible assets. Human resources have an increasingly important role in achieving corporate goals. The problems faced by management are not only in raw materials, work tools, production machinery, money and work environment, but also concerning human resources.

Resource-Based Theory is a thought that develops in strategic management theory and competitive advantage of companies who believe that the company will achieve excellence if it has a superior resource (Solikhah et al., 2010). Based on the Resource-Based Theory approach, the company must utilize its resources. Organizational capability regarding human resources will encourage companies to disclose.

Disclosure of information in annual reports is conducted so that stakeholders can use relevant information for decision making. Disclosure of company information is primarily intended for shareholders, potential investors, and creditors. Shareholders can know the performance of management concerning finance and run the company's operations. Potential investors can use the information to make decisions related to the purchase of shares to invest. The creditor uses relevant information to make decisions regarding the granting of business credit.

The agency theory implies the information asymmetry between the principal and the agent, which arises when the agent has internal information, and the prospect of the company in the future is compared to the information held by the principal. Rahmawati et al., (2007) argued that the submission of financial statements to the principal could minimize information asymmetry because the financial statements are a means of communicating financial information to parties outside the company.

The agent is the party that manages the company, furthermore is the company management. Principals are parties owning the company, furthermore shareholders or investors. The existence of separation of ownership by principal and control by an agent in an organization tends to cause agency conflict between agent and principal. Agency theory emerges to resolve the conflict. Jensen and Meckling (1976) argue that agency relationships between principals and agents are interpreted as a contract, in which the principal or employer hires an agent for the fulfillment of some services and delegates authority in decision making.

Based on previous research, financial firms tend to disclose more human resource information than non-financial companies (Mamun 2009; Enyi and Akindehinde, 2014). Widodo research 2014 found the characteristics of the company that size, age, and product diversification affect the disclosure of HRA (Widodo, 2014). This study examines the effect of foreign ownership structure and commissioners on HRA disclosure and uses firm characteristics as control variables. Ownership structure in this research is foreign ownership, family ownership and foreign presence in the board of commissioners. Characteristics of companies in this study are SIZE, CAR, LDR and age of the company.

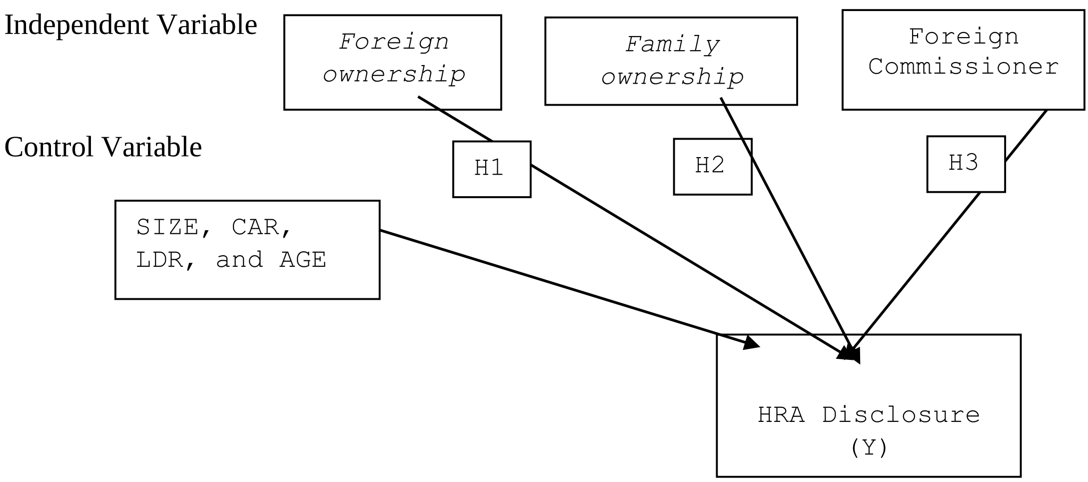
2.1 Influence of Foreign Ownership on HRA Disclosure

Foreign ownership is the number of shares of a foreign-owned company. In this context, foreign ownership serves as an exogenous pressure to introduce socially legitimate corporate governance practices or is widely perceived as appropriate and effective (Aguilera and Cuervo -Cazurra, 2004). According to the theory of institutional, foreign ownership will bring the company to implement a good organizational culture of their country. The existence of effective corporate governance practices can help management performance, so that more quickly complete the financial statements. This assumption is consistent with foreign ownership research on financial performance.

Companies with foreign ownership will tend to disclose more widely than companies with domestic ownership for the following reasons: 1. Companies with foreign ownership tend to have enough technology. This situation supports the creation of more efficient management information systems that make it easier to provide access to stakeholders, and 2. Companies with foreign ownership tend to provide adequate training for employees about the work being done.

Picture 1

Research Thinking Framework



Douma et al. (2006) found that agency conflicts with greater ownership and long-term involvement have a positive effect on financial performance. According to agency theory, there is an alignment of interest effect, more shares owned by managers, goals managers and shareholders will be more aligned (Charlier and Du Boys, 2010). Managers will be more motivated to find lucrative projects, and their interests will be more aligned with the interests of other shareholders as managers hold stocks. The assumption that if there is sizeable foreign ownership in the company concerning stakeholder theory, then stakeholders have essential information on the company. Based on these assumptions, the hypothesis that can be formulated is as follows.

H$_1$. *Foreign ownership negatively affects the HRA disclosure*

Morck and Young (2004) identify several criteria of a family-controlled company, that is, the largest shareholder of a company is a particular family, and the controlling family owns 10 or 20 percent of the voting stock. According to Chrisman et al. (2004), a family-controlled company is demonstrated by family involvement in share ownership and intergenerational succession among family members. Claessens et al. (2000) suggest that family control is the most common type of control over corporate ownership. Single shareholders control more than two-thirds of companies in East Asian countries. The separation of management from ownership control is rare in firms whose stocks are concentrated in the family.

Based on agency theory, family ownership has a role in agency conflict. The existence of share ownership structure owned by the family where usually there are family members who have a position in management, then the company tends to minimize the conflict in the company's agency. According to Fama and Jensen (1983), the conflict can be reduced because there is no conflict between the management of the company and the owner of the company. This is because decision-making and control are done by the same agent that is the family member of the company owner so that no agency cost emerges to monitor the decision making.

According to the alignment of interest effect, more and more shares owned by managers, manager and shareholder goals will be more aligned (Charlier and Du Boys, 2010). Managers will be more motivated to look for lucrative projects, and their interests will be more aligned with the interests of other shareholders as managers increasingly hold stocks. Research conducted by Morck et al. (1998) found a correlation between firm performance and percentage of management ownership. Management tends to deliver the good news to shareholders immediately, but the majority shareholder in this context is family.

Research conducted by Chau and Gray (2002) on public companies listed in Hong Kong and Singapore shows that family-controlled firms tend to exhibit lower disclosure practices in annual reports. This result is in line with the research of Chen et al. (2008)

that family-controlled firms tend to have relatively low disclosure of information, which is proxied by financial forecasting and conference calls.

Hanifa and Cooke (2002) found that there was a negative relationship between the level of voluntary disclosure and the number of family members who were members of the company's board of directors. Darmadi and Sodikin (2013) research found that family control affects voluntary disclosure negatively. These results are supported by research Kartikasari (2015) which provides evidence that family ownership has a negative relationship to financial reporting. Confirming this, assuming family ownership will also cause management not to disclose HRA. Based on the description above, the hypothesis is proposed as follows:

H_2. *Family Ownership negatively affects the HRA disclosure*

2.2 Influence of the Board of Commissioners on HRA Disclosure

In general, the existence of foreign commissioners is known by looking at the organizational structure of the company. To know the presence or absence of foreigners then seen on board of commissioner profile. The foreign party serves as an exogenous pressure to introduce socially legitimate corporate governance practices or is widely considered appropriate.

According to the theory of institutional, pressure from foreign parties will bring the company to implement a good organizational culture of their country. The existence of effective corporate governance practices can help management performance, so that more quickly complete the financial statements. The assumption that firms with foreign presence will tend to do a more extensive disclosure. On that basis, the hypothesis is proposed as follows.

H_3. Presence of foreign board of commissioners positively influences HRA disclosure.

2.3 Control Variables (Size, CAR, LDR and Age of Company on HRA Disclosure)

Firm size is a value that shows the size of the company (Amran et al., 2009). Size commonly used to represent company size, including total sales, total assets, and market capitalization. The higher the total assets, the more capital invested, the more sales, the more the velocity of money and the higher the market capitalization the higher the company is known in the community. This led to large organizational tendencies requiring more substantial funds than smaller companies (Dewi, 2010).

Viewed from resource-based theory, the availability of funds and substantial resources make the company feel the need to do the disclosure of HRA. According to stakeholder theories of large-sized companies get huge demand from the public for complete information. Research related to financial disclosures revealed that there was a positive relationship between company size and the amount of disclosure (Amran, 2009 and Taures 2011). The Bangladesh Company's HRA disclosure is affected by firm size (Mamun, 2009). Consistent with previous research, Widodo (2014) found the firm size to affect HRA disclosure.

Banking companies with CAR that are higher than the prescribed minimum limit will disclose the information as value added. The higher the CAR assumption, the higher the bank's ability to minimize credit risk. The higher the CAR ratio of firms indicates the company has good capital adequacy, so it will tend to disclose.

Loan to Deposits Ratio (LDR) illustrates the comparison between bank loans and third-party funds. The LDR states how far the bank's ability to repay the withdrawals by depositors' customers by relying on the credits given as a source of liquidity. The higher the amount of funds disbursed to customers in the form of credit hence the amount of unemployed funds is reduced and the interest income earned will increase. The higher the ratio, the more the chance of banks to make greater disclosure of information. Based on the above explanation, the higher the LDR ratio of companies then the possibility of companies will do the disclosure of HRA.

Companies that are listed in the capital market longer have much experience for disclosure of information by considering the market reaction to appropriate disclosure. Companies tend to give voluntary disclosures when they plan to issue public debt or equity or acquire other companies to provide explicit investor information and influence their perceptions (Healy & Palepu, 1993). The longer the life of the company the more experienced the disclosures are following the stakeholders.

3. Research Methods

This study is a causality study testing the causal relationship between independent and dependent variables. Based on the technique used, this research is a research technique archive with secondary data. Secondary data is the data collection method with data collection technique from a database (Jogiyanto, 2013). Data collection is obtained from the Indonesian Stock Exchange through www.idx.com. The population in this study are all banking companies listed on the BEI 2011-2014. Independent variables in this study are the variables of foreign ownership, family ownership and the presence of foreigners in the board of commissioners. The control variable of company characteristic in this research is proxied with size, CAR, LDR and company age. Determination of the sample is done by using purposive sampling method, meaning that the population to be sampled in this study is a population that meets specific sample criteria following the desired researcher (Sekaran, 2006). Selection of sample obtained 133 annual reports, with criteria as follows:

a. banking company listed on BEI statistics in 2013
b. annual report of the company published in the period 2011-2014
c. companies that have complete data related to research variables

3.1 Operational Definition and Measurement of Variables

HRA Disclosure

Measurement of HRA disclosure refers to the measurement items developed by Mamun (2009). The selection of Mamun measurement items refers to the research of Enofe et al. ¬ (2013); Sharma and Kumar (2014); and Widodo (2014). Disclosure of HR Accounting is calculated using the following formula:

$$\text{HRAD} = \frac{\text{Total Score of Individual Company X 100}}{\text{Maximum Possible Score Obtainable}}\%$$

Foreign Ownership

Foreign ownership can be seen from the existing capital structure in the company. Measurements in foreign ownership using three ways kinds, namely as follows.

1. Foreign ownership is calculated using dummy variables. Number 1 if the share ownership is above 20% of the outstanding shares, 0 if less than 20%. (FRG20)
2. Foreign ownership is calculated using dummy variables. Number 1 if the share ownership is above 30% of the outstanding shares, 0 if less than 30%. (FRG30)
3. Foreign ownership is calculated using dummy variables. Number 1 if the share ownership is above 50% of the outstanding shares, 0 if less than 50%. (FRG50)

Family ownership

Family ownership is the ownership of shares owned by individuals or families as shareholders. Family ownership in this study is measured by the total family shareholdings and family existence in the board of commissioners and or the board of directors. Measurement in family ownership uses two kinds of ways, namely as follows.

1. Family ownership is calculated using dummy variables. Number 1 if the share ownership is above 20% of the outstanding shares, 0 if less than 20%. (FRG20)
2. Family ownership is calculated using dummy variables. Number 1 if the share ownership is above 30% of the outstanding shares, 0 if less than 30%. (FRG30)
3. *Family ownership is calculated using dummy variables. Number 1 if its shareholding is above 50% of the total outstanding shares, 0 if less than 50%. (FRG50)*

Foreign Board of Commissioners

The presence of foreigners on the board is measured using dummy variables. If there is a citizen with foreign nationality based on share ownership then given a score of 1 if not foreigner given score 0.

4. Result and Discussions

Data in this research is panel data. Hypothesis testing techniques in this study is multiple regression testing. Multiple regression testing is intended to test the variables that affect the disclosure of human resource accounting. Testing is done using EViews program. Equation model using fixed effect model approach.

Model Equation

HRAD = C(1) + C(2)*FRG20 + C(3)*FRG30 + C(4)*FRG50 + C(5)*FRG_KOM + C(6)*FML20 + C(7)*FML30 + C(8)*FML50 + C(9)*LN_SIZE + C(10)*CAR + C(11)*LDR + C(12)*AGE + [CX=F]

The results show that the estimation of the research model using Redundant Fixed Effects Tests shows the result of Cross-section Chi-square with a value of 0.00 or <0.05, then the correct test model using fixed effect.

Table 1

Estimated Model Results

Redundant Fixed Effects Tests
Equation: PERSAMAAN_1
Test cross-section fixed effects

Effects Test	Statistic	d.f.	Prob.
Cross-section F	11.335057	(35,86)	0.0000
Cross-section Chi-square	229.438824	35	0.0000

Adjusted R Square value has 85% value, and it shows 85% HRA disclosure is influenced by the independent variable in the research model. The F value in the model shows a significant result of 0.00 indicating that the independent variables simultaneously affect the dependent variables.

Table 2
Effects Specification

Cross-section fixed (dummy variables)			
R-squared	0.908360	Mean dependent var	0.564850
Adjusted R-squared	0.859344	S.D. dependent var	0.160530
S.E. of regression	0.060205	Akaike info criterion	-2.511348
Sum squared resid	0.311722	Schwarz criterion	-1.489947
Log-likelihood	214.0047	Hannan-Quinn criter.	-2.096290
F-statistic	18.53172	Durbin-Watson stat	1.646777
Prob(F-statistic)	0.000000		

Table 3
Test Results
Dependent Variable: HRAD
Method: Panel Least Squares
Date: 04/10/16 Time: 21:57
Sample: 2011 2014
Periods included: 4
Cross-sections included: 36
Total panel (unbalanced) observations: 133

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-0.817879	0.288667	-2.833292	0.0057
FRG20	-0.010910	0.053987	-0.202088	0.8403
FRG30	0.039789	0.050986	0.780383	0.4373
FRG50	-0.257412	0.102011	-2.523375	***0.0135
FRG_KOM	0.237525	0.103268	2.300088	***0.0239
FML20	-0.200672	0.117403	-1.709255	**0.0910
FML30	0.150149	0.162907	0.921682	0.3593
FML50	-0.014363	0.153244	-0.093728	0.9255
LN_SIZE	0.026606	0.012365	2.151738	***0.0342
CAR	0.001273	0.001341	0.949543	0.3450
LDR	-0.001856	0.000987	-1.880838	**0.0634
AGE	0.021870	0.006716	3.256362	***0.0016

Information: ***Significant on 5%, ** Significant on 10%

The test results of the foreign ownership variable stated that FRG20 and FRG30 were not proven to affect HRA disclosure. Results for the FRG50 test showed significant negative results. It can be concluded that the first hypothesis (H1) is proven. The result of this research demonstrates that the fraction of ownership of FRG50 which is measured based on the company's share ownership of more than 50% has a negative effect on the disclosure of HRA.

In the context of the significance of research results indicate that the percentage of foreign share ownership affects the level of corporate information disclosure at> 50% level. The results of research Chen et al., (2007) which states that foreign ownership of shares has the power to influence company policy and encourage monitoring. Furthermore, the presence of foreign parties can monitor management to immediately complete the financial statements and timely reporting but not related to the disclosure of HRA.

The test results of family ownership variable on HRA disclosure in FML20 showed a negative effect on the 10% level significance to HRA disclosure. Ownership of the results of FML30 and FML50 test showed that family ownership showed no significant effect on HRA disclosure.

The family ownership variable shows the different relationship of influence for each measurement. This may be due to a concentration of ownership above 20% will create a shareholder to encourage management to make disclosures as necessary (mandatory). The higher the percentage of ownership by the family based on agency theory has a role in the agency conflict.

The existence of a large share ownership structure owned by the family usually have family members who have a position in management; then the company tends to minimize the existence of agency conflicts within the company. According to Fama and Jensen (1983), agency conflicts can be reduced because there is no conflict between the management of the company and the owner of the company. This is because decision-making and control are carried out by the same agent, that is, the family member of the company owner so that no agency costs arise to monitor the decision-making.

The alignment of the board of foreign commissioners shows positive results on the disclosure of HRA. The existence of a foreign party in a company will result in the company making information disclosure effectively. Foreign parties viewed from an institutional theory will be assumed to strive to bring good corporate governance. Good corporate governance allows companies to disclose well-held information. These findings prove that the disclosure of HRA is deemed necessary and possible to provide added value for the company.

The control variable in this study showed that firm size and age had a positive effect on HRA disclosure. CAR shows a negative influence on the level of significance of 10%, then LDR does not affect the disclosure of HRA.

5. Conclusion, Implications, and Limitations

The test results of the foreign ownership variable stated that FRG20 and FRG30 were not proven to affect HRA disclosure. Results for the FRG50 test showed significant negative results. The results of this study demonstrate that the report of ownership has not been able to influence the disclosure of HRA before it is above 50%. The higher the foreign ownership, above 50% indicates that the owner is the ultimate shareholder. Foreign ownership of shares has the power to influence company policy and encourage company monitoring.

The results of family ownership variables test show different influence relationships for each measurement. This may be due to a concentration of ownership above 20% will create a shareholder to encourage management to make disclosures as necessary (mandatory). The higher the percentage of ownership by the family based on the agency theory has a role in the agency conflict, which results in no need for thorough disclosure. This is because decision-making and control are carried out by the same agent, that is, the family member of the company owner so that no agency costs arise to monitor the decision-making.

The alignment of the board of foreign commissioners shows positive results on the disclosure of HRA. The existence of a foreign party in a company will result in the company making information disclosure effectively. A foreign party is seen from the standpoint of institutional theory to be assumed to strive to bring good corporate governance. Good corporate governance allows companies to disclose well-held information. These findings prove that the disclosure of HRA is deemed necessary and possible to provide added value for the company.

5.1 Implication

Theoretically, in this research, it is known that different measurement of variables also has different results. This research is expected to be a source of reference for further research. For the company, the results of this study can be used to determine the conditions of disclosure of HRA conducted by the company and the factors that affect the disclosure of HRA...

5.2 Limited Research

This study has limitations that may disrupt the results of research as well as can change the direction for future research, including as follows.

1. For foreign ownership variables only, traceability based on the authenticity of ownership. The information is obtained from annual reports of various published sources, example Panama papers.
2. For family ownership variables, the data source used to search the ultimate shareholder based only on financial statements, annual reports and information from electronic media. This is because official information is difficult to obtain.
3. The sample of research is only four years, that is from 2011 until 2014 and focus on banking. The sample framework may be less able to present the entire corporate sector, so it cannot be generalized in general.

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Appendix 1

HRA Disclosure

No.	***Disclosure Items***
1	*Separate HRA statement*
2	*Total Value of Human resource*
3	*Number of employees*
4	*Human resource policy*
5	*Training and development*
6	*Management succession plan*
7	*Employment report*
8	*Employees' value addition*
9	*Human resource development fund*
10	*Employees/workers fund*
11	*Employee categories*
12	*Managerial remuneration*
13	*Retirement benefits*
14	*Performance Recognition*
15	*Superannuation fund*
16	*Other employees benefits*

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