

ABSTRACT

The aim of the study was to analyze the influence of corporate governance mechanisms on impression management through sustainability report. The corporate governance mechanisms that were applied in this research are Proportion of Independent Commissioner, Number of Board Commissioner Meetings, Board of Commissioner Size, Audit Committee Meetings and Audit Quality. This research adopted the GRI 4 to provide guidance in measuring selectivity, and used RGDI to measure distortion. The population of this research was all companies listed in Indonesia Stock Exchange and published their sustainability report in the year of 2012-2015. The total samples were 102 companies selected using purposive sampling. This study was analyzed using Multiple regression analysis with SPSS 22. The result of this study indicated that proportion of independent commissioner have positive effect on selectivity. Meanwhile, number of board of commissioner meetings and audit quality has negative effect on selectivity. However, there are no corporate governance mechanisms used in this study affect the distortion. The limitation of this study is that there is limitation of previous studies that examines the association of corporate governance and impression management, especially for distortion variable.

Keywords: corporate governance, impression management, sustainability report, graphical disclosure, selectivity, Relative Graph Discrepancy Index (RGDI).