

ABSTRACT

This study aims to analyze the influence of firm characteristics on the quality of corporate governance disclosures in annual report in Indonesia. Factors tested in this study are firm size, profitability, dispersed ownership level, leverage, and industry classification.

Collecting data is using purposive sampling method to the companies that listed in LQ-45 Indonesian Stock Exchange during 2009-2010. A total of 66 companies used as sample in this research. There are 93 disclosure items to detect quality of disclosure of corporate governance disclosure.

This research uses multiple regression that use to examine the influence of firm characteristics on the quality of corporate governance disclosures in annual report. The result of this research showed those independent variables that have significant influence on the quality of corporate governance disclosures is industry classification. However, firm size, profitability, dispersed ownership level, and leverage do not show significant influence on the quality of corporate governance disclosures.

Keywords: corporate governance, corporate governance disclosures, firm characteristics, annual report