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The Effect of Organizational Culture and Good Corporate Governance Mechanism on Human Resource Disclosure

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Abstract: *Disclosure of human resources is the science and art of managing effective workforce relationships and roles and helping to realize the goals of the company, employees, and society. Disclosure of human resources is an important aspect that needs attention from company management and stakeholders because humans are an important resource in creating quality products and services for customers. The purpose of this study was to determine the effect of organizational culture variables, independent company commissioners, institutional ownership, company size, leverage, and profitability on the disclosure of human resources. The population in this study are mining companies listed on the Indonesia Stock Exchange. The sampling technique used in this study was purposive sampling method, in order to obtain 54 samples of companies. The type of data used is secondary data. The results showed that the firm size variable had an effect on the disclosure of human resources, while the variables of organizational culture, independent commissioners, institutional ownership, firm age, leverage, and profitability had no effect on the disclosure of human resources.*

Keywords: human resource disclosure, independent commissioner, institutional ownership, company size, leverage.

I. INTRODUCTION

The company in carrying out its business activities uses added value as a benchmark for improving welfare created by optimal and productive management of company resources. Human resources are one of the company's tangible resources that are very important and valuable because human resources have intangible resources in the form of intellectual capital that can contribute to providing a competitive advantage for the company. Intellectual capital is very important in every human resource to support and run the company's business activities. Intellectual capital is also a reflection of all the potential and capabilities of human resources which will then provide added value for the company in the eyes of stakeholders. In addition to the existence of intellectual capital which is very important in human resources, the role of the company's human resources is very important in carrying out the company's operational functions and managing company resources, planning, and implementing business strategies to achieve company goals. The role of human resources which is very important for companies makes companies realize the importance of reporting and disclosure of human resources.

Disclosure of human resources reflects the importance of human resources who have the knowledge and expertise that are indispensable both in intellectual capital and human resource roles, from strategy formulation to company strategy that will be implemented. impact on the company's image in the public eye. Therefore, human resources are company assets that are considered as important as other assets. In practice, disclosure of human resources is one type of disclosure that has not been widely applied in developing countries. In Indonesia, human resource disclosure does not stand as an individual component in the annual report, but the human resource disclosure item can be found as part of the additional information disclosed in the company's annual report.

The implementation of GCG is a must for every company to achieve good corporate performance. This is important because the purpose of implementing GCG is to reduce the opportunistic behavior of managers and increase the value/performance of the company. Regulatory and shareholder efforts to reduce management's opportunistic or dysfunctional behavior are not only sufficient by forcing management to implement a system that is considered good, such as the implementation of GCG. However, the company's organizational culture that is embraced and believed by every individual in the organization also needs attention because culture is inherent in individuals so that it can influence human behavior in all actions. GCG as a company supervision system with the aim of prioritizing the interests of stakeholders. Thus, the subject of the study in this paper is how the role of Good Corporate Governance (GCG) and culture in improving company performance is. Based on the description in this background, GCG and good corporate culture (GCC) are factors that can affect the company's performance improvement.

II. LITERATURE

Theory Agency

Agency theory is a theory that explains the relationship that occurs between the management of the company as an agent and the owner of the company as the principal. The principal is the party who gives orders to the other party, namely the agent, to carry out all activities on behalf of the principal. The owner of the company, namely the principal, always wants to know all information regarding the company's activities, including management activities in terms of operating the funds invested in the company (Supriyono, 2018: 63)[1].

Human Resource Disclosure

According to Hasibuan (2002:10)[2], human resources are the science and art of regulating the relationship and role of the workforce to be effective and efficient in helping the realization of the goals of the company, employees, and society. Disclosure of human resources (human resources disclosure) is the disclosure of human resources in the recruitment, training, improvement and development of employees into the organization.

Organizational Culture

The pattern of organizational beliefs and values that are understood, inspired, and practiced by the organization so that the pattern gives meaning to itself and becomes the basis for the rules of behavior in the organization (Davis, 1984:15)[3]. Organizational culture is a system that reflects the perceptions and meanings of every member of the organization without exception where these perceptions and meanings will differ from one organization to another. Companies that have a vision, mission, and goals that contain the role and contribution of human resources, the company adheres to a people-oriented culture.
H1: Organizational culture has a positive effect on the disclosure of Human Resource Accounting Disclosure.

Independent Commissioner

According to (Sukrisno and Cenik, 2014:110)[4] independent commissioners are parties who are appointed not in the capacity to represent any party and are solely appointed based on their background knowledge, experience, and professional expertise to fully carry out their duties for the benefit of the company. Independent Commissioners are independent parties and have no affiliation with the management or directors of the company, major shareholders, and the Board of Commissioners. The existence of independent commissioners in the company becomes very important in determining whether the implementation of corporate governance has been running well and effectively or vice versa. Otherwise, the company will determine corrective actions and evaluations to achieve good corporate governance.
H2: Independent Commissioner has a negative effect on the disclosure of Human Resource Accounting Disclosure.

Institutional Ownership

According to Pirzada et al. (2015:41)[5] institutional ownership is the percentage of share ownership owned by institutional investors such as mutual funds, securities companies, insurance, pension funds, financial institutions and others. Institutional ownership is the ownership of company shares owned by external parties such as insurance companies, banks, investment companies and other institutions. The ownership exercise function also plays a role in reducing agency conflicts that occur between managers and shareholders. Institutional investors who own shares in the company are not effective in supervising and monitoring management policies and delegating supervisory functions to the company's Board of Commissioners. In addition, institutions have not realized the importance of disclosure related to human resources and are more focused on improving company performance which will increase company value and maximize shareholder benefits.
H3: Institutional ownership has a negative effect on the disclosure of Human Resource Accounting Disclosure.

Company Size

Company size is a function of the speed of financial reporting. The size of the company is also influenced by operational activities, the variability and level of sales of the company will affect the speed in presenting financial statements to the public (Rachmawati, 2008: 3)[6]. The greater the total assets, the more capital invested, the more sales, the more turnover of money and the greater the market capitalization, the greater the company is known in the community (Huebla, 2013)[7].
H4: Company size has a positive effect on Human Resource Accounting Disclosure.

Company Age

The definition of age according to the KBBI (2011) is the length of time it has lived or existed since birth, and the understanding of the company according to Hery (2012)[8] is an organization that operates with the aim of making a profit by selling products to its customers. Thus, the age of the company is the length of time the company operates starting from the year the company was founded until now in the activities of selling products to customers. Companies that are listed on the capital market longer have a lot of experience in disclosing information by considering the market reaction to appropriate disclosures.

H5: Company age has a positive effect on Human Resource Accounting Disclosure.

Laverage

Laverage is a ratio that describes the company's ability to pay all of its obligations, both short-term and long-term obligations if the company is dissolved. Laverage is measured using the debt to asset ratio by comparing total debt with total assets. The greater the debt to asset ratio, the higher the company's ability to fulfill all its obligations, both short term and long term (Kasmir, 2011) [9]. Companies with high leverage have high supervision costs, so companies try to reduce these costs by disclosing more information (Prasetyo, 2012)[10]. One of the information disclosed is Human Resource Accounting Disclosure.

H6: Laverage has a negative effect on Human Resource Accounting Disclosure.

Profitability

Profitability is the company's ability to earn profits in relation to the delivery of total assets and equity itself (Sartono, 2010:122)[11]. The company has the ultimate goal to be achieved, namely to obtain maximum profit or profit, in addition to other things. By obtaining maximum profit as targeted, the company can do much for the welfare of owners, employees, as well as improve product quality and make new investments. High profitability indicates the company has sufficient funds to convey all important information that can improve the company's image, one of which is Human Resource Accounting Disclosure.

H7: Profitability has a positive effect on Human Resource Accounting Disclosure.

III. METHOD

The population in this study are all companies listed on the Indonesia Stock Exchange (IDX) with research samples of mining companies listed on the 2018-2020 IDX. This study uses a purposive sampling method with the following criteria: first, mining companies are listed on the Indonesia Stock Exchange for the 2018-2020 period. Second, mining companies publish IDX annual reports for the 2018-2020 period. Third, mining companies that publish annual reports in Rupiah currency on the IDX for the 2018-2020 period. Based on predetermined criteria, the number of mining companies listed on the IDX for the 2018-2020 period is 52 companies, there are 54 companies that can be used as research samples. The data analysis used in this study is multiple linear regression analysis.

IV. RESULT

Measurement of human resource disclosure in this study refers to previous research. Measurement of human resource disclosure is calculated using the Human Resource Accounting Disclosure Index (HRADI) which consists of 26 disclosure items. This organizational culture variable is measured using a dummy variable. A company that emphasizes the company's vision, mission and goals. The proportion of independent board of commissioners can be calculated by calculating the percentage of board of commissioners from outside the company to the entire size of the board of commissioners of the sample companies. Institutional ownership can be measured by using the indicator of the percentage of the number of shares owned by institutional parties from the total number of company shares. Measure the size of the company by doing the natural total assets of a company. In accordance with the regulations on the Indonesia Stock Exchange, the age of the company can be measured starting from the first time the company is listed on the IDX until the last year of the research sample period. Laverage measurement uses the Debt to Assets Ratio (DAR). Measurement profitability is done by comparing the net income owned by total assets. The hypothesis in this study is shown through the research equation.

Multiple Regression Model

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	-122,129	46,985		-2,599	0,013
ORC	0,862	5,348	0,025	0,161	0,873
KID	0,231	0,173	0,186	1,333	0,189
KPI	2,784	7,974	0,047	0,349	0,729
UKP	5,945	1,538	0,630	3,864	0,000
UMP	-0,217	0,271	-0,122	-0,802	0,427
LVR	0,051	0,106	0,080	0,481	0,632
PRO	0,004	0,082	0,008	0,052	0,959

Based on the table, the following equation can be arranged:

HRD = -122,129 + 0,862 ORC + 0,231 KID + 2,784 KPI + 5,949 UKP – 0,217 UMP + 0,051 LVR + 0,004 PRO + ε

Information:

HRD = *Human Resources Disclosure*
ORC = *Organizational Culture*
KID = Komisaris Independen
KPI = Kepemilikan Institusional
UKP = Ukuran Perusahaan
UMP = Umur Perusahaan
LVR = *Leverage*
PRO = Profitabilitas
ε = *error*

1. The constant value is -122.129, indicating that if organizational culture, independent commissioners, institutional ownership, firm size, firm age, leverage, and profitability are assumed to be constant or equal to 0, then the value of human resource disclosure is -122.129.
2. The regression coefficient on the organizational culture variable shows a value of +0.862. The positive coefficient value indicates that an increase in organizational culture can increase human resource disclosure by the regression coefficient, meaning that if there is an increase in organizational culture by 1%, then human resource disclosure will increase by 0.862 with the assumption that other independent variables are held constant. Conversely, if there is a decrease in organizational culture by 1%, then human resources disclosure will decrease by 0.862 with the assumption that other independent variables are held constant.
3. The regression coefficient on the independent commissioner variable shows a value of +0.231. The positive coefficient value indicates that with increasing independent commissioners, human resource disclosure can increase by the regression coefficient, meaning that if there is an increase in independent commissioners by 1%, then human resource disclosure will increase by 0.231 assuming other independent variables are held constant. Conversely, if there is a decrease in the independent commissioner by 1%, then human resource disclosure will decrease by 0.231 assuming other independent variables are considered constant.
4. The regression coefficient on the institutional ownership variable shows a value of +2.784. The positive coefficient value indicates that increasing institutional ownership can increase human resource disclosure by the regression

coefficient, meaning that if there is an increase in institutional ownership of 1%, then human resource disclosure will increase by 2.784 assuming other independent variables are held constant. Conversely, if there is a decrease in institutional ownership of 1%, then human resource disclosure will decrease by 2.784 with the assumption that other independent variables are considered constant.

5. The regression coefficient on the firm size variable shows a value of +5.949. The positive coefficient value indicates that with increasing company size, human resource disclosure can increase by the regression coefficient, meaning that if there is an increase in company size by 1%, then human resource disclosure will increase by 5.949 assuming other independent variables are held constant. Conversely, if there is a decrease in company size by 1%, then human resource disclosure will decrease by 5.949 assuming other independent variables are considered constant.
6. The regression coefficient on the firm age variable shows a value of -0.217. The negative coefficient value indicates that with increasing company age, human resource disclosure can decrease by the regression coefficient, meaning that if there is an increase in company age by 1%, then human resource disclosure will decrease by 0.217 assuming other independent variables are held constant. Conversely, if there is a decrease in institutional ownership by 1%, then human resource disclosure will increase by 0.217 assuming other independent variables are considered constant.
7. The regression coefficient on the leverage variable shows a value of +0.053. The positive coefficient value indicates that increasing leverage can increase human resource disclosure by the regression coefficient, meaning that if there is an increase in leverage of 1%, then human resource disclosure will increase by 0.053 assuming other independent variables are held constant. Conversely, if there is a decrease in leverage of 1%, then human resource disclosure will decrease by 0.053 with the assumption that other independent variables are considered constant.
8. The regression coefficient on the profitability variable shows a value of +0.004. A positive coefficient value indicates that increasing profitability can increase human resource disclosure by the regression coefficient, meaning that if there is an increase in profitability by 1%, then human resource disclosure will increase by 0.004 assuming other independent variables are considered constant. On the other hand, if there is a decrease in profitability is 1%, then human resource disclosure will decrease by 0.004 assuming other independent variables are considered constant.

Model Feasibility Test (F Test)

Table II

F TEST RESULT

Model	*Sum of Squares*	df	*Mean Square*	F	Sig.
1 Regression	4000,325	7	571,475	2,907	0,013[b]
Residual	9043,654	46	196,601		
Total	13043,980	53			

Based on the results of the SPSS Simultaneous Test (F test) on the regression model, it shows that the calculated F value in the model is 2,907 which is greater than the F table of 2.216 and the significance level of 0.013 is less than the 5% significance level. So it can be concluded that the independent variable has an effect on the dependent variable.

Coefficient of Determination Test (R^2)

Table III
SUMMARY OF DETERMINATION COEFFICIENT TEST RESULTS (R^2)

Model	R	*R Square*	*Adjusted R Square*	*Std. Error of the Estimate*
1	0,554[a]	0,307	0,201	14,021454

Based on the table, the coefficient of determination (Adjusted R2) is 0.201. This indicates that 20.1% of human resources disclosure is influenced by independent variables (organizational culture, independent commissioners, institutional ownership, company size, company age, leverage, profitability) and the remaining 79.9% is influenced by other variables not examined. in this study.

Statistical Test (t Test)

Table IV
T TEST RESULT

Variable	tcount	ttable	Sig.	Std. Sig.	Description
ORG	0,161	2,013	0,873	0,05	Not Significant
KID	1,333	2,013	0,189	0,05	Not Significant
KPI	0,349	2,013	0,729	0,05	Not Significant
UKP	3,864	2,013	0,000	0,05	Significant
UMP	-0,802	2,013	0,427	0,05	Not Significant
LVR	0,481	2,013	0,632	0,05	Not Significant
PRO	0,052	2,013	0,959	0,05	Not Significant

Based on the table, it can be explained as follows:

1. The organizational culture variable is known to have tcount (0.161) smaller than ttable (2.013) and a significance value of 0.873 greater than = 0.05, so it can be concluded that organizational culture has no significant effect on human resources disclosure.
2. The independent commissioner variable is known to have tcount (1.333) smaller than ttable (2.013) and a significance value of 0.189 is greater than = 0.05, so it can be concluded that the independent commissioner has no significant effect on human resources disclosure.
3. The institutional ownership variable is known to have tcount (0.349) which is smaller than ttable (2.013) and a significance value of 0.729 is greater than = 0.05, so it can be concluded that institutional ownership has no significant effect on human resources disclosure.
4. The firm size variable is known to have tcount (3.864) greater than ttable (2.013) and a significance value of 0.000 is smaller than = 0.05, so it can be concluded that company size has a significant effect on human resources disclosure.
5. The variable age of the company is known to have tcount (-0.802) smaller than ttable (2.013) and a significance value of 0.427 greater than = 0.05, so it can be concluded that the age of the company has no significant effect on human resources disclosure.

6. The leverage variable is known that the tcount (0.481) is smaller than ttable (2.013) and the significance value is 0.632 which is greater than = 0.05, so it can be concluded that leverage has no significant effect on human resources disclosure.
7. The profitability variable is known to have tcount (0.052) smaller than ttable (2.013) and a significance value of 0.959 is greater than = 0.05, so it can be concluded that profitability has no significant effect on human resources disclosure.

V. CONCLUSION

The results of this study conclude that firm size variables affect human resource disclosure, while organizational culture, independent commissioners, institutional ownership, firm age, leverage, and profitability variables have no effect on human resource disclosure.

Company size has an effect (statistically significant) on human resource disclosure. This is because the greater the total assets owned by the company, the greater the number of human resource disclosures that can be disclosed. Large companies will find it easier to obtain additional funds to provide full responsibility to all stakeholders through additional information in the annual human resource disclosure report.

Organizational culture has no effect (statistically insignificant) on human resource disclosure. This is because the majority of the companies that were sampled in this study did not include human resource disclosure related to the company's vision and mission. From the results of research conducted by companies that have not improved organizational culture, it is advisable to pay attention to ORC. In an effort to improve ORC, the company is expected to give employees the freedom to make decisions so that they feel that they are given a share in the company.

Independent Commissioner has no effect (statistically insignificant) on human resource disclosure. This is because the existence of independent commissioners in companies is often only a formality to meet regulatory needs so that the existence of independent commissioners in the company

the company becomes ineffective in carrying out its supervisory function and does not use its independence properly to oversee the policies of the company's management or directors.

Institutional ownership has no effect (statistically insignificant) on human resource disclosure. This is because institutional investors who own shares in the company are not effective in supervising and monitoring management policies and delegating supervisory functions to the company's Board of Commissioners. In addition, institutions have not realized the importance of disclosure related to human resource disclosure and are more focused on improving company performance which will increase company value and maximize shareholder benefits. Thus, the size of the company's institutional investor shares will not affect the extent of human resource disclosure by the company.

Company age has no effect (statistically insignificant) on human resource disclosure. This is because younger companies are able to disclose the same amount of Human Resource Accounting Disclosure as older companies. Because the length of a company is not a determining factor that the company will disclose information related to human resource disclosure. So that regardless of the age of a company, it does not determine that the company will disclose human resource disclosures in the company's financial statements.

Laverage has no effect (not statistically significant) on human resource disclosure. This is because the high or low level of corporate debt does not affect the extent of the company in disclosing the company's human resource disclosure information. Companies that have a higher level of leverage do not have a tendency to improve the quality of human resource disclosure. Companies that have large leverage will try to suppress and improve the company's financial condition, compared to concentrating on the quality of human resource disclosure.

Profitability has no effect (not statistically significant) on human resource disclosure. This is because profitability does not determine the extent of disclosure made by the company. Companies with higher profits will be encouraged to focus on business development by expanding their products and services rather than making human resource disclosures.

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