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Corporate Governance Mechanisms and Voluntary Disclosure in the Indonesian Banking Sector

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Abstract

This study aims to empirically examine the effect of corporate governance mechanisms—measured by board size, board independence, gender diversity, public ownership, and audit committee independence—on voluntary disclosure in the Indonesian banking sector. Grounded in Agency Theory and Resource Dependence Theory, this research responds to public and managerial gaps regarding transparency limitations amid macroeconomic pressures and governance concerns during the 2020–2024 period. Using a purposive sampling method, the study selected 40 commercial conventional banks listed on the Indonesia Stock Exchange (IDX), yielding a panel dataset of 200 observations (2020–2024). Voluntary disclosure was measured using a Disclosure Index based on GRI Standards 2016 and 2021 tailored to the banking sector. Panel data regression analysis using the Fixed Effect Model (FEM) reveals that corporate governance mechanisms and the control variable Return on Assets (ROA) simultaneously have a significant positive impact on voluntary disclosure (R^2adj = 72.42%). Partially, board size, board independence, gender diversity, public ownership, and audit committee independence significantly and positively influence voluntary disclosure. Relative dominance analysis indicates that board size is the most dominant contributor (62.30%), followed by gender diversity (14.72%), audit committee independence (9.69%), board independence (7.56%), and public ownership (5.73%). These findings highlight the strategic synergy of governance organs in mitigating information asymmetry, enhancing internal oversight, and fostering market transparency in the Indonesian banking industry.

Keywords: Corporate Governance, Voluntary Disclosure, Indonesian Banking, Board Size, Gender Diversity, Fixed Effect Model.

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INTRODUCTION

Since the 2020–2024 period, the Indonesian banking sector has faced significant macroeconomic pressures due to the COVID-19 pandemic and global uncertainty, making transparency in reporting increasingly important. According to the OJK's Indonesian Banking Surveillance Report (LSPI) for the fourth quarter of 2023, the gross and net NPL ratios stood at 2.19 per cent and 0.71 per cent respectively, indicating an improvement in credit quality, although continued supervision remains necessary (OJK, 2023). In these circumstances, voluntary disclosure—as a complement to mandatory disclosure—plays a strategic role in enhancing stakeholder confidence, strengthening corporate governance, and supporting risk mitigation within the banking sector. However, the level of voluntary disclosure in the Indonesian banking sector remains relatively limited and tends to focus on formal financial information. Disclosure of non-financial aspects such as risk, sustainability, and governance has also not been optimally implemented. This situation is influenced by low regulatory pressure, a conservative corporate culture, and insufficient managerial motivation. In such circumstances, corporate governance mechanisms are crucial for promoting transparency and the quality of corporate information disclosure.

Voluntary disclosure practices in the Indonesian banking sector reveal inconsistent governance dynamics. An increase in board size has not always been accompanied by board independence, the effectiveness of audit committees, or adequate gender diversity, whilst public ownership remains relatively high. This situation indicates that strengthening governance structures has not yet fully promoted corporate transparency. In the banking context, corporate governance mechanisms such as board size and independence, gender diversity, ownership structure, and the independence of audit committees play a vital role in strengthening oversight, improving the quality of internal controls, and promoting corporate transparency as part of risk mitigation. Pangaribuan (2019) found that independent boards and independent audit committees tend to reduce voluntary disclosure—albeit not significantly—whilst institutional ownership actually increases disclosure through more active oversight functions. Nia Dyah Setiani Ali (2022) demonstrated that the presence of women on boards has not yet had a significant impact, but the overall composition of the board is positively correlated with transparency. Furthermore, Soejono (2020) and Hashmi et al. (2022) state that the effectiveness of audit committees, gender diversity, and board experience can enhance voluntary disclosure. The differences in these research findings indicate that the determinants of voluntary disclosure still require further testing, particularly in the Indonesian banking sector during the most recent period.

This situation is all the more relevant given various cases during the 2020–2024 period that highlight weaknesses in banking transparency and governance practices.

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Several cases, such as fictitious loans at BPD NTT, the misappropriation of customer funds at BRI, and alleged financing fraud at LPEI, not only reflect weak internal oversight but also highlight the limitations of companies' voluntary disclosure, particularly regarding the disclosure of risks, internal control systems, and potential fraud. In some cases, information regarding the weaknesses in supervision— —and risk exposure only became known to the public after the cases came to light and attracted the attention of regulators and the media. This situation indicates an information asymmetry between management and stakeholders due to the sub-optimal level of corporate transparency. Voluntary disclosure is crucial because information relating to risk, corporate governance and internal controls is not entirely covered by a company's mandatory disclosure requirements. Therefore, the implementation of effective corporate governance is essential to encourage more transparent and credible voluntary disclosure, thereby enhancing public confidence in the banking sector.

Low levels of voluntary disclosure are influenced by the high costs of disclosure and the competitive risks associated with disclosing too much information, meaning that independent boards and audit committees tend to adopt a conservative approach. Furthermore, public ownership by management or majority shareholders encourages minimal disclosure to maintain control, whilst low gender diversity limits perspectives and the drive for transparency within the board (Harventy, 2020). These conditions have an impact on compliance, the quality of reporting, and investor relations. Consequently, stakeholder trust—particularly among minority investors—may decline, the bank's reputation may weaken, and this could potentially reduce the company's value and long-term competitiveness.

Recent research in the Indonesian banking sector indicates that corporate governance mechanisms influence voluntary disclosure. Hidayati and Puspawati (2024) found that the size of the board of commissioners has a positive effect, whereby an increase in the number of board members enhances the transparency of strategic information to the public (Puspawati and Hidayati, 2024). Board independence, as reflected in the proportion of independent commissioners, also has the potential to strengthen oversight, although its impact on voluntary disclosure has not been consistent as the oversight function does not always operate optimally. Gender diversity on the board and committees has been shown to encourage increased voluntary disclosure. Supriyanto & Resnika (2023) demonstrated that gender diversity has a significant positive effect, as the presence of women enriches perspectives and encourages voluntary disclosure decisions. In line with this, Saha & Kabra (2020) found that the proportion of women on the board of commissioners enhances disclosure regarding cybersecurity aspects, although the presence of women on the board of directors has a negative impact due to differences in structural functions and responsibilities. On the other hand, public

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ownership, particularly institutional ownership, tends to weaken the relationship between governance mechanisms and voluntary disclosure, as the dominance of major shareholders can limit transparency. Furthermore, the independence of the audit committee, the frequency of meetings, and the level of the audit committee's independence have not yet shown a significant influence on voluntary disclosure, although the oversight function of internal audit remains important (Supriyanto & Resnika 2023).

Inadequate voluntary disclosure is not merely a compliance issue but also impacts banking performance and sustainability. In a competitive financial market, information transparency serves as a key indicator for investors, rating agencies, and regulators in assessing corporate risk. Therefore, strengthening the ' ' of corporate governance through appropriate board size, gender diversity, and audit committee independence are crucial elements for promoting corporate transparency.

Previous research indicates that corporate governance plays a significant role in voluntary disclosure and banking performance. Pangaribuan (2019) found that institutional ownership has a positive effect on voluntary disclosure, whilst an increase in the number of independent board members and independent audit committee members tends to reduce disclosure levels due to cost considerations and industry competition. Furthermore, Handajani et al. (2021) state that better corporate governance ratings enhance a bank's ability to detect and disclose fraud, although whistleblowing systems are not always effective. Cahaya Yoga (2020) also found that the board of commissioners has a positive effect on ROA, whilst the audit committee has a negative effect. Simultaneously, the board of commissioners, the audit committee, and the disclosure of economic, social and environmental aspects have a significant impact on a bank's financial performance. These findings underscore the importance of the roles of the board of commissioners, the audit committee and the ownership structure in promoting voluntary disclosure and improving banking performance.

Consequently, this study is relevant for identifying and empirically testing the influence of corporate governance elements on the level of voluntary disclosure among banks in Indonesia. This relevance is based on the existence of a 'public gap'—namely, the disparity between the high demand from investors, customers, regulators and the public for transparent banking information, and the still-limited level of voluntary disclosure by companies, particularly regarding risk, internal controls, governance, sustainability and business prospects. This gap is increasingly evident through various cases of fraud and banking issues that only come to public attention after they have been brought to the attention of regulators or the media. Furthermore, there is a 'managerial gap'—that is, information asymmetry between management, as the holders of internal information, and minority shareholders and the public—which can arise if corporate

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governance mechanisms are not functioning effectively. It is hoped that the findings of this study will provide practical insights for regulators in formulating policy, as well as serve as a reference for banking management in enhancing information disclosure strategies that are more transparent and credible, thereby strengthening reputation, attracting investors, and improving the resilience of the banking sector amidst global dynamics.

HYPOTHESIS DEVELOPMENT

The Effect of Board Size on Voluntary Disclosure

Board size is an important aspect of corporate governance that is thought to influence the level of voluntary disclosure. From the perspective of Resource Dependence Theory (Pfeffer and Salancik, 1978), the board of commissioners acts as a strategic mechanism that helps companies obtain legitimacy, support, and access to external resources. Larger boards generally possess a greater diversity of experience, expertise and networks, thereby enhancing the effectiveness of oversight and promoting corporate transparency and accountability. Consequently, the larger the size of the board of commissioners, the greater the company's ability to meet information needs through voluntary disclosure.

In line with this, Alshirah et al. (2021) found that a larger board size is associated with a higher level of voluntary disclosure due to internal pressure to increase transparency. Alfraih (2020) demonstrated that board size is positively correlated with reporting quality, as the diversity of members encourages more comprehensive information. Haji and Mubaraq (2023) also found that board size has a significant effect on expanding the scope of voluntary disclosure in response to demands for legitimacy. Furthermore, Adisa and Ahmad (2022) state that a larger board creates institutional pressure on management to improve transparency, whilst Rahman and Darus (2021) assert that board size and diversity strengthen the representation of stakeholder interests in corporate reporting.

H1: Board size has a positive and significant effect on voluntary disclosure.

The Effect of Board Independence on Voluntary Disclosure

Board independence is one of the main pillars of effective corporate governance in mitigating conflicts of interest between management and shareholders. Based on Agency Theory (Jensen and Meckling, 1976), information asymmetry between principals and agents can give rise to opportunistic behaviour on the part of management, thus necessitating an independent oversight mechanism. In this context, an independent board of commissioners acts as an objective overseer unaffiliated with management, thereby enhancing transparency and curbing manipulative actions. The higher the

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proportion of independent commissioners, the greater the incentive for the company to engage in voluntary disclosure as a means of enhancing accountability and reducing agency risk.

Kusnadi, Leong and Suwardy (2022) state that an independent board enables more neutral oversight of corporate reporting policies. Wibowo and Putri (2021) found that the existence of an independent board can limit information manipulation through increased voluntary disclosure. Furthermore, Habbash (2021) demonstrates that independent directors possess a strong reputational incentive, such that they promote greater transparency in reporting, particularly regarding voluntary information. These findings reinforce the Agency Theory perspective that independent oversight mechanisms can mitigate agency problems through increased voluntary disclosure.

H2: Board independence has a positive and significant effect on voluntary disclosure.

The Effect of Gender Diversity on Voluntary Disclosure

Gender diversity on the board of commissioners can be viewed as a strategic resource for the company in improving the quality of corporate governance and reporting practices, as explained in Resource Dependence Theory (Pfeffer & Salancik, 1978). The presence of women on the board reflects a broader diversity of perspectives and more inclusive values, thereby strengthening the company's ability to respond to external expectations through increased transparency and accountability. In their supervisory role, female board members can also enrich the evaluation of management policies and promote information transparency, particularly regarding non-financial aspects such as ethics, social issues and sustainability.

Byron and Post (2020) state that women on boards tend to pay greater attention to ethical and transparency aspects, thereby increasing the propensity for voluntary disclosure. Chen et al. (2021) found that gender diversity broadens the scope of deliberation and strengthens the supervisory function, which in turn promotes increased voluntary disclosure. Furthermore, Alkhatib and Marji (2023) demonstrate that the presence of women on boards contributes significantly to reporting transparency by promoting accountability and a focus on the public interest. These findings are consistent with the RDT, which emphasises the importance of diversity as a strategic resource in enhancing a company's responsiveness to the external environment.

H3: Gender diversity on the board has a positive and significant effect on voluntary disclosure.

The Effect of Public Ownership on Voluntary Disclosure

Public ownership refers to the proportion of a company's shares held by the general public or non-controlling investors, excluding majority shareholders and

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management. From the perspective of Michael C. Jensen and William H. Meckling's Agency Theory (1976), this ownership structure is linked to the emergence of information asymmetry between management and shareholders, thereby necessitating more transparent disclosure mechanisms. The larger the proportion of public ownership, the greater the need for the company to provide adequate information to external investors in order to reduce information asymmetry, enhance investor confidence, and encourage the company to engage in more extensive voluntary disclosure.

Abdullah and Ismail (2020) found that a more dispersed ownership structure encourages increased information disclosure due to rising demands from public investors. Pratiwi and Firmansyah (2023) demonstrated that public ownership has a positive effect on corporate transparency as companies seek to attract investors and enhance their reputation. Barako, Hancock, and Izan (2021) also state that companies with a higher proportion of public shareholders tend to improve the quality of their reporting to maintain market confidence. These findings confirm that public ownership functions as an external oversight mechanism that encourages increased voluntary disclosure.

H4: Public ownership has a positive and significant effect on voluntary disclosure.

The Effect of Audit Committee Independence on Voluntary Disclosure

Audit committee independence is a condition whereby audit committee members are able to carry out their oversight functions objectively, professionally, and free from the influence of management or other interested parties. Within the framework of Agency Theory (Jensen and Meckling, 1976), an independent audit committee acts as an internal oversight mechanism to reduce agency conflicts between managers and shareholders, where management tends to withhold or filter information that is detrimental to its interests. Therefore, an independent audit committee is expected to assess the reporting process more neutrally and encourage greater transparency of information. In the context of voluntary disclosure, the independence of the audit committee is crucial because independent members have a stronger focus on reputation, compliance and public accountability.

Ahmed et al. (2021) found that companies with independent audit committees demonstrate a higher commitment to transparency, as independence fosters objectivity in oversight. Abdelmohsen Desoky and Georges Mousa (2020) demonstrated that a higher proportion of independent audit committee members is associated with improved reporting quality and corporate transparency. Furthermore, Naser Alqatamin (2022) explains that independent audit committees play a role in enhancing the disclosure of non-financial information through a more critical evaluation of management policies. These findings are consistent with Agency Theory, which emphasises the importance of

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internal oversight mechanisms in reducing information asymmetry and improving the quality of disclosure.

H5: Audit Committee Independence has a positive and significant effect on Voluntary Disclosure.

RESEARCH METHODS

This study employs a quantitative approach to empirically examine the influence of corporate governance mechanisms—specifically Board Size (UDK), Board Independence (IDK), Gender Diversity (GD), Public Ownership (KP), and Audit Committee Independence (IKA)—on Voluntary Disclosure (VD) within the Indonesian banking sector. Return on Assets (ROA) is included as a control variable to account for bank profitability. The data was analyzed using panel data regression via the Fixed Effect Model (FEM) to control for firm-specific unobserved heterogeneity across the sample period.

The population of this study comprises all banking sub-sector companies listed on the Indonesia Stock Exchange (IDX), totaling 47 banks. The sample was determined using a non-probability purposive sampling method based on specific criteria. Based on these criteria, 2 Islamic banks were excluded due to distinct operational and regulatory environments, and 5 banks were omitted due to incomplete data. Consequently, the final sample consists of 40 commercial banks observed over 5 years (2020–2024), yielding a total of 200 panel observations. Secondary data was collected from published annual reports via the official websites of individual banks, the IDX, and the Financial Services Authority (OJK) E-Reporting portal. The measurements and indicators for these variables are shown in Table 1 below:

Table 1. Operational Variables

Variables	Measurement	Scale
Voluntary Disclosure (Y)	VD = Number of items disclosed / Total number of items disclosed × 100%	Ratio
Board of Commissioners Size (X1)	UDK = Number of members of the Board of Commissioners	Ratio
of the Board of Commissioners' Independence (X2)	IDK = Number of independent directors / Total number of directors × 100%	Ratio
Gender Diversity Ratio (X3)	GD = Number of female board members / Total number of board members × 100%	Ratio
Public Ownership (X4)	KP = Number of publicly held shares / Total shares in issue × 100%	Ratio

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Audit Committee Independence (X5)	IKA = Number of independent members / Total audit committee members × 100%	Ratio
ROA (Control)	ROA = Profit Before Tax / Total Assets × 100%	Ratio

This study employs panel data regression analysis using the Fixed Effects Model (FEM) approach to examine the impact of corporate governance mechanisms on voluntary disclosure in the Indonesian banking sector during the period 2020–2024. Panel data was chosen because the study combines time-series and cross-sectional data, thereby increasing the number of observations and yielding better estimates than ordinary regression.

The Fixed Effects Model (FEM) approach was used because each banking firm has distinct characteristics, such as governance structure, corporate culture and internal policies, which may influence the level of voluntary disclosure. This model is considered capable of controlling for differences in the characteristics of each firm over the study period, thereby yielding more accurate estimation results. The choice of the FEM is also based on the characteristics of the banking sector's panel data, which exhibits heterogeneity across firms; consequently, this model is considered more appropriate than the Common Effects Model (CEM) or the Random Effects Model (REM).

RESULTS AND DISCUSSION

Descriptive Statistics

Variable	Mean	Median	Maximum	Minimum	Std. Dev.	Skewness	Kurtosis	Jarque-Bera	Prob.
VD	74.826514	75.104332	96.882144	42.917861	8.947315	-0.284517	2.913246	1.586214	0.452618
UDK	6.913500	7.000000	11.000000	3.000000	1.472185	0.193441	2.761354	1.128572	0.568934
IDK	56.28749 3	56.842105	81.250000	33.333333	9.856731	-0.361995	3.087621	2.344189	0.309864
GD	19.28477 1	18.750000	52.631579	0.000000	11.826517	0.417252	2.641188	3.188622	0.203285
KP	28.11684 5	27.53142	48.944211	6.418245	10.724188	-0.127615	2.811943	0.967852	0.616352
IKA	89.76351 2	91.666667	100.000000	58.333333	10.214538	-0.934715	3.184267	4.628174	0.098412
ROA	1.842176	1.774815	6.127451	-1.284516	1.194286	0.238154	3.246882	1.744891	0.418016

Descriptive statistics are used to provide an overview of the characteristics of the research data based on the minimum, maximum, mean, median and standard deviation of each research variable. Based on the results of data analysis of 200 observations comprising 40 banking companies over the period 2020–2024, the average Voluntary Disclosure (VD) was found to be 74.83 per cent, indicating that, in general, banking

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companies have a relatively high level of voluntary disclosure. The Board of Commissioners Size (UDK) variable had an average of 6.91 members, Board of Commissioners Independence (IDK) stood at 56.29 per cent, Gender Diversity (GD) at 19.28 per cent, Public Ownership (KP) at 28.12 per cent, and the Audit Committee Index (IKA) at 89.76 per cent, whilst Return on Assets (ROA) averaged 1.84 per cent. In general, the standard deviation values for each variable indicate that the research data exhibits a satisfactory degree of dispersion, thereby adequately reflecting the characteristics of the banking companies included in the research sample.

Correlation Analysis

Variables	VD	UDK	IDK	GD	KP	IKA	ROA
VD	1.000000	-	-	-	-	-	-
UDK	0.437218	1.000000	-	-	-	-	-
IDK	0.384925	0.291473	1.000000	-	-	-	-
GD	0.418366	0.214578	0.273994	1.000000	-	-	-
KP	0.352741	0.185632	0.156884	0.247115	1.000000	-	-
IKA	0.281553	0.226874	0.338194	0.198641	0.143268	1.000000	-
ROA	0.506842	0.247536	0.174863	0.129954	0.191556	0.104778	1.000000

Correlation analysis aims to determine the direction and strength of the relationship between the research variables and to detect any signs of multicollinearity. Based on the results of the correlation test, all independent variables have a positive relationship with Voluntary Disclosure (VD), with the highest correlation found in the Return on Assets (ROA) variable at 0.506842, followed by Board Size (0.437218), Gender Diversity (0.418366), Board Independence (0.384925), Public Ownership (0.352741), and Audit Committee Index (0.281553). Meanwhile, the highest correlation coefficient between independent variables was only 0.338194, which remains below the general threshold of 0.80; it can therefore be concluded that the research model shows no indication of multicollinearity.

Heteroscedasticity Test

Statistics	Value	Statistic	Value
F-statistic	1.276841	Prob. F(27,172)	0.1887
Obs*R-squared	31.54873	Prob. Chi-Square(27)	0.2475
Scaled explained SS	29.73184	Chi-Square Probability (27)	0.3314

A heteroscedasticity test was conducted to determine whether the variance of the residuals in the regression model is constant or not. A good regression model is one that

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does not exhibit heteroscedasticity, thereby making the estimation of regression coefficients more efficient. Based on the results of the White Test, the probability value for Obs*R-squared was found to be 0.2475, which is greater than the significance level of 0.05. Furthermore, the probability of the F-statistic, at 0.1887, is also greater than 0.05. These results indicate that the regression model does not suffer from heteroscedasticity, meaning the residuals have constant variance (homoscedasticity). Consequently, the regression model satisfies one of the classical assumptions and is suitable for hypothesis testing.

Chow Test

Effects Test	Statistic	d.f.	Prob.
Cross-section F	4.286714	-39.154	0
Cross-section Chi-square	128.4174	39	0

The Chow test was used to determine the most appropriate panel data regression model between the Common Effects Model (CEM) and the Fixed Effects Model (FEM). Based on the test results, a cross-section F-value of 4.286714 was obtained with a p-value of 0.0000, and a cross-section chi-square value of 128.417352 with a p-value of 0.0000. As the probability values are less than 0.05, H_0 is rejected and H_1 is accepted; it can therefore be concluded that the Fixed Effects Model (FEM) is more appropriate than the Common Effects Model (CEM) for this study.

Hausman Test

Test Summary	Chi-Sq. Statistic	d.f.	Prob.
Cross-section random	4.286714	6	0.0098

The Hausman test was conducted to determine the best model between the Fixed Effects Model (FEM) and the Random Effects Model (REM). Based on the test results, a Chi-Square Statistic value of 16.842517 was obtained with a probability of 0.0098, which is smaller than the significance level of 0.05. Therefore, H_0 is rejected and H_1 is accepted; it can thus be concluded that the Fixed Effects Model (FEM) is a more appropriate model to use than the Random Effects Model (REM) in this study.

Lagrange Multiplier Test

Effects Test	Statistic	Prob.
Cross-section	82.48197	0.0000
Time	0.94822	0.3296
Both	83.43019	0.0000

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The Lagrange Multiplier test was carried out to determine the best model between the Common Effect Model (CEM) and the Random Effect Model (REM). Based on the test results, the Breusch-Pagan cross-section value was 82.48197 with a probability of 0.0000, indicating that the Random Effects Model is superior to the Common Effects Model. However, based on the results of the Hausman test, which favoured the Fixed Effects Model, the regression model used in this study remains the Fixed Effects Model (FEM) as the final estimation model.

Panel Data Regression Analysis (Fixed-Effects Model)

Variables	Coefficient	Standard Error	t-statistic	Prob.
C	17.846271	9.283741	1.92238	0.056
UDK	0.734981	0.327614	2.243433	0.026
IDK	0.089214	0.043785	2.037616	0.043
GD	0.173682	0.058494	2.968108	0.003
KP	0.067592	0.031447	2.149652	0.033
IKA	0.114387	0.054193	2.110787	0.036
ROA	0.582944	0.179821	3.24181	0.001

Based on the estimation results using the Fixed Effects Model (FEM), a regression equation was obtained showing that all independent variables have positive coefficients, namely Board Size (0.734981), Board Independence (0.089214), Gender Diversity (0.173682), Public Ownership (0.067592), Audit Committee Index (0.114387), and Return on Assets (0.582944). These results indicate that an increase in each independent variable tends to increase the level of Voluntary Disclosure, assuming all other variables remain constant. Meanwhile, the model constant of 17.846271 indicates the value of Voluntary Disclosure when all independent variables are assumed to be constant.

F-test

Model Statistics	Value
R-squared	0.756843
Adjusted R-squared	0.724196
Standard Error of Regression	4.781962
Sum of Squared Residuals	3487.916000
Log Likelihood	-531.428700
F-statistic	23.641850
Prob(F-statistic)	0.000000
Durbin-Watson statistic	1.962417

An F-test was conducted to determine the simultaneous effect of all independent variables on voluntary disclosure. Based on the results of the fixed-effects model

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estimation, an F-statistic of 23.64185 was obtained, with a Prob(F-statistic) of 0.000000, which is less than the significance level of 0.05. These results indicate that the size of the Board of Commissioners, the independence of the Board of Commissioners, gender diversity, public ownership, the Audit Committee Index, and Return on Assets collectively have a significant effect on voluntary disclosure in the banking companies included in the research sample.

T-test

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	17.84627	9.283741	1.92238	0.0563
UDK	0.734981	0.327614	2.243433	0.0261
IDK	0.089214	0.043785	2.037616	0.043
GD	0.173682	0.058494	2.968108	0.0034
KP	0.067592	0.031447	2.149652	0.033
IKA	0.114387	0.054193	2.110787	0.0361
ROA	0.582944	0.179821	3.24181	0.0014

Partial tests (t-tests) were carried out to determine the effect of each independent variable on the dependent variable individually. The tests were conducted by comparing the probability values (Prob.) of each variable with a significance level of 5 per cent (α = 0.05). A variable is deemed to have a significant effect if its probability value is less than 0.05 (p-value < 0.05), whereas if the probability value is greater than 0.05 (p-value > 0.05), the variable is deemed to have no significant effect on the dependent variable. Based on the results of the Fixed Effects Model estimation, all independent variables—namely Board Size (UDK), Board Independence (IDK), Gender Diversity (GD), Public Ownership (PO) and Audit Committee Independence (ACI), have probability values of 0.0261, 0.0430, 0.0034, 0.0330 and 0.0361 respectively, all of which are below the 5 per cent significance level (0.05). Furthermore, the control variable Return on Assets (ROA) also has a probability value of 0.0014, thus indicating a significant influence on Voluntary Disclosure. Consequently, all research hypotheses (H1 to H5) are accepted, as each independent variable has been shown to have a positive and significant effect on Voluntary Disclosure.

Coefficient of Determination

Model Statistics	Value
R-squared	0.756843
Adjusted R-squared	0.724196

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The coefficient of determination is used to measure the ability of the independent variables to explain the variation in the dependent variable. Based on the results of the Fixed Effects Model estimation, an Adjusted R-squared value of 0.724196 was obtained, meaning that 72.42% of the variation in Voluntary Disclosure can be explained by the variables Board Size, Board Independence, Gender Diversity, Public Ownership, Audit Committee Index, and Return on Assets, whilst the remaining 27.58 per cent is influenced by other factors outside the research model that were not included in this study. Although the Adjusted R^2 value indicates that the research model is capable of explaining 72.42 per cent of the variation *in Voluntary Disclosure*, this information does not yet illustrate the relative dominance of each independent variable within the regression model. Therefore, to provide an indication of the relative dominance of each independent variable, an analysis was conducted based on the ‘ ’—the proportion of each variable’s regression coefficient relative to the total regression coefficient of the independent variables.

Variable	Coefficient	Relative Contribution (%)	t-Statistic	Prob.
UDK	0.734981	62.3	2.243433	0.0261
GD	0.173682	14.72	2.968108	0.0034
IKA	0.114387	9.69	2.110787	0.0361
IDK	0.089214	7.56	2.037616	0.043
KP	0.067592	5.73	2.149652	0.033
ROA	0.582944	–	3.24181	0.0014

Based on the proportions of the regression coefficients, Board Size (UDK) has the greatest relative dominance, accounting for 62.30 per cent of the total regression coefficients of the independent variables. This indicates that, compared to the other independent variables, UDK is the variable with the highest coefficient in the regression model, and thus makes the largest relative contribution to the relationship formed with *Voluntary Disclosure*. Furthermore, Gender Diversity (GD) has a relative dominance of 14.72 per cent, followed by Audit Committee Independence (ACI) at 9.69 per cent, Board of Commissioners Independence (BCI) at 7.56 per cent, and Public Ownership (PO) at 5.73 per cent. It should be noted that these percentages represent relative proportions based on the magnitude of the regression coefficients; they are therefore used to illustrate the dominance of variables within the model and not as a measure of statistical contribution to the coefficient of determination (R^2) or *Partial* R^2.

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CONCLUSION

This study aims to obtain empirical evidence regarding the influence of corporate governance mechanisms on voluntary disclosure in banking companies listed on the Indonesia Stock Exchange for the period 2020–2024. The results indicate that the size of the Board of Commissioners, the independence of the Board of Commissioners, gender diversity, public ownership and the independence of the Audit Committee have a positive and significant effect on voluntary disclosure, whilst Return on Assets (ROA), as a control variable, also has a positive and significant effect. Furthermore, the research model demonstrates a strong ability to explain the variation in Voluntary Disclosure, with an Adjusted R^2 value of 72.42 per cent. Based on the relative dominance analysis, the size of the Board of Commissioners is the variable with the largest relative contribution to the model, followed by gender diversity, the independence of the Audit Committee, the independence of the Board of Commissioners, and public ownership. These findings indicate that increased corporate transparency is not determined by a single governance mechanism alone, but rather results from the synergy of various complementary ‘ ’ corporate governance mechanisms that collectively encourage companies to provide more comprehensive information to stakeholders.

The results of this study reinforce Agency Theory by demonstrating that effective corporate governance mechanisms can reduce information asymmetry through improved quality of voluntary disclosure. Furthermore, the findings also support Resource Dependence Theory, which explains that the supervisory capacity, independence, diversity, and competence of governance bodies constitute strategic resources that enhance stakeholder legitimacy and trust through information transparency. This study makes an empirical contribution to the literature on voluntary disclosure in the Indonesian banking sector, particularly during the 2020–2024 period, which has been characterised by increasing demands for transparency, the strengthening of corporate governance, digital transformation, and regulatory oversight.

The implications of this research indicate that improving voluntary disclosure is not sufficient merely through compliance with mandatory disclosure requirements, but also requires strengthening the quality of corporate governance implementation across the board. Therefore, banking companies need to optimise the effectiveness of the board of commissioners as the primary oversight mechanism, whilst simultaneously strengthening the independence of the board of commissioners, the independence of the audit committee, gender diversity, and the structure of public ownership to further improve the quality of information disclosure. For regulators, the findings of this study can serve as input in evaluating the effectiveness of corporate governance implementation whilst promoting policies that support voluntary disclosure practices as a complement to mandatory disclosure. Thus, voluntary disclosure serves not only as a form of compliance

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but also as a strategic instrument in enhancing transparency, reducing information asymmetry, strengthening public trust, and supporting the creation of a more accountable and sustainable Indonesian banking industry.

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