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Corporate Governance Characteristics: What Affects Forward-Looking Information Disclosure?

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ABSTRACT

Purpose: The purpose of this study is to analyze the effect of five corporate governance characteristics on forward-looking information disclosure (FLID) in non-financial companies listed on the Indonesia Stock Exchange during the period 2021–2023. The characteristics analyzed include the existence of a risk management committee, political connections, directors' educational background, gender diversity, and the frequency of board meetings.

Methodology/approach: This study employed a quantitative approach, utilizing secondary data from annual reports. The sampling technique used was purposive sampling. A total of 1,298 companies met the criteria for observation. Data analysis used panel data regression with the help of Eviews13.

Findings: The study found that the frequency of board meetings significantly influenced FLID. Conversely, the risk management committee, political connections, directors' educational background, gender diversity, did not influence FLID.

Practical implications: This study contributes to the corporate governance literature in Indonesia and recommends strengthening the active role of internal governance in promoting information disclosure.

Originality/value: The novelty of this research lies in the simultaneous testing of five characteristics of corporate governance with an emphasis on risk management committees and political connections, two variables that have rarely been studied together, especially in Indonesia.

Keywords: Risk Management Committee; Political Connections; Directors' Educational Background; Gender



Diversity; Frequency of Board Meetings; Forward-Looking Information Disclosure.

ABSTRAK

Tujuan penelitian: Penelitian bertujuan untuk menganalisis lima karakteristik tata kelola perusahaan terhadap forward-looking information disclosure (FLID) pada perusahaan non-keuangan yang terdaftar di Bursa Efek Indonesia periode 2021-2023. Karakteristik yang dianalisis meliputi keberadaan komite manajemen risiko, koneksi politik, latar belakang pendidikan direksi, keberagaman gender, dan frekuensi rapat direksi.

Metode/pendekatan: Penelitian menggunakan pendekatan kuantitatif dengan data sekunder dari laporan tahunan. Teknik pengambilan sampel menggunakan purposive sampling. Sebanyak 1.298 perusahaan telah memenuhi kriteria sebagai unit observasi. Analisis data menggunakan regresi data panel dengan bantuan Eviews13.

Hasil: Hasil penelitian membuktikan bahwa frekuensi rapat direksi berpengaruh signifikan terhadap FLID. Sebaliknya, komite manajemen risiko, koneksi politik, latar belakang pendidikan direksi, dan keberagaman gender tidak ditemukan berpengaruh terhadap FLID.

Implikasi praktik: Penelitian ini memberikan kontribusi terhadap literatur corporate governance di Indonesia dan merekomendasikan penguatan peran aktif tata kelola internal dalam mendorong keterbukaan informasi.

Orisinalitas/kebaharuan: Novelty penelitian ini terletak pada pengujian simultan lima karakteristik corporate governance dengan penekanan pada komite manajemen risiko dan koneksi politik, dua variabel yang masih jarang dikaji bersama, khususnya di Indonesia.

Kata kunci: Komite Manajemen Risiko; Koneksi Politik; Latar Belakang Pendidikan Direksi; Keberagaman Gender; Frekuensi Rapat Direksi; Forward-Looking Information Disclosure.

INTRODUCTION

Transparency of information is necessary to help stakeholders understand the company's performance and strategic direction, as well as to assess internal conditions objectively (Khan, 2025). One form of relevant disclosure is forward-looking information disclosure (FLID), which is the presentation of prospective information about the company's

performance and strategy ([Agyei-Mensah, 2017](#); [Buerthey & Pae, 2021](#)). FLID helps reduce information asymmetry and demonstrating the company's commitment to good governance ([Khan, 2025](#); [Agyei-Mensah, 2017](#)). In Indonesia, FLID is regulated through POJK 29/2016, SEOJK 30/2016, SEOJK 16/2021, and reinforced by POJK 45/2024, although its implementation is still voluntary. This disclosure also reflects corporate governance responsibilities, but the relationship between CG mechanisms and FLID remains under-explored ([Wang et al., 2023](#); [Zhang et al., 2023](#)). Empirically, the level of FLID is still low and fluctuates: 32.6% (2012–2013), 48.76% (2015–2016), down to 23.3% (2017–2019), and around 20% in 2020–2022 ([Utami et al., 2020](#)). The low level of FLID is influenced by prospective information risk, lack of technical guidance, and low investor literacy. This condition confirms the need to understand the influence of governance, given that many cases of financial fraud are related to agency conflicts and weaknesses in supervisory mechanisms.

Numerous cross-national studies have examined the connection between corporate governance (CG) and forward-looking information disclosure (FLID) as interest in this subject has developed ([Agyei-Mensah, 2017](#)). These studies' primary goals are to increase managerial effectiveness, bolster accountability, and guarantee that management acts in shareholders' best interests. In reality, putting excellent corporate governance into practice guarantees fairness and transparency in decision-making in addition to preserving the balance of power ([Masud, 2019](#)).

The results of earlier studies, however, have been inconsistent and varied. According to some research, the degree of forward-looking information disclosure is positively impacted by governance mechanisms like the frequency of board meetings and the presence of risk management committees ([Effah et al., 2022](#)). Formal governance systems may not always encourage greater transparency, according to other research. Furthermore, it has been noted that the impact of gender diversity and political ties varies by country; some studies find no significant influence ([Tessema & Abou-El-Sood, 2025](#)), while others find a positive relationship ([Xiaomei et al., 2021](#)). These differences in outcomes demonstrate that the institutional and cultural governance framework in each nation continues to have an impact on the dynamics of FLID, necessitating a better comprehension of the factors influencing corporate prospective disclosure.

The selection of five corporate governance indicators in this study is based on a combination of theoretical foundations, empirical evidence, and contextual relevance in developing countries such as Indonesia. Each indicator reflects the core dimensions of internal governance that have the potential to influence forward-looking information disclosure (FLID) through mechanisms of oversight, risk control, and legitimacy. First, the risk management committee represents a supervisory function that is directly related to risk governance. According to [Agyei-Mensah \(2017\)](#), the existence of this committee strengthens the internal control system by mitigating information asymmetry between management and shareholders, thereby increasing information transparency. Second, political connections reflect the legitimacy theory dimension, in which the relationship between companies and political actors can influence reporting patterns ([Muttakin et al., 2018](#)). In the context of emerging markets, political connections often serve as a source of external legitimacy that encourages corporate openness to maintain public and regulatory support ([Muttakin et al., 2018](#)). Third, the financial expertise or educational background of directors represents the resource-based view, which emphasizes the importance of cognitive competence in strategic decision-making ([Khan et al., 2024](#)). Directors with financial expertise and a high level of

education are believed to better understand the importance of prospective disclosure as a strategic communication tool with investors ([Muttakin et al., 2018](#)).

Fourth, the idea that gender diversity on the board of directors is based on earlier research by [Garber et al., \(2017\)](#), which found that having a variety of viewpoints enhances decision-making quality and stakeholder interest alertness. Transparency and better ethical tendencies are also linked to women's board participation. The frequency of board meetings is a reflection of the level of managerial monitoring. Studies by [Kunc et al. \(2020\)](#) show that the more often meetings are held, the more effectively management is controlled, which in turn promotes more thorough and proactive reporting. These five metrics were chosen because, taken as a whole, they reflect the three key components of good corporate governance: internal competence, external legitimacy, and monitoring [Garber et al., \(2017\)](#). Together, they offer a thorough framework for evaluating how much internal governance contributes to better disclosure of prospective information, especially for developing nations like Indonesia that continue to struggle to consistently apply sound corporate governance principles. According to a number of studies ([Yahaya, 2024](#)), the presence of risk management committees, political ties, and the intensity of board meetings can all boost projected information openness. Other research, however, shows that these factors have no discernible impact on the degree of disclosure ([Aldhamari et al., 2020](#)). Diverse outcomes also arise in the areas of gender diversity and financial competence, which in certain situations actually exhibit modest benefits ([García-Sánchez et al., 2017](#)). In order to obtain a more thorough grasp of the mechanisms of corporate governance and transparency in developing markets like Indonesia, this study aims to close the gap in the literature by concurrently examining the impact of the five primary dimensions of governance on forward-looking information disclosure (FLID).

In order to ensure efficient oversight of risk exposure and managerial policies, the risk management committee is a crucial part of the corporate governance structure ([Yahaya, 2024](#)). This special committee is tasked with monitoring and assessing risks to the sustainability of businesses in several nations ([Yahaya, 2024](#)). This committee's existence shows investors that the business takes risk management seriously and is dedicated to the values of caution and openness ([Loang, 2024](#)).

According to agency theory, the creation of a risk management committee can be seen as a supervisory mechanism that increases accountability and information disclosure in order to lessen conflicts of interest between management (agents) and shareholders (principals) ([Jensen & Meckling, 1976](#)). This committee contributes to the efficient implementation of risk management policies and the transparent dissemination of information to the public about prospects, risk exposure, and mitigation techniques. Additionally, prior research has demonstrated a favorable correlation between the level of corporate information disclosure, particularly forward-looking information disclosure (FLID), and the presence of a risk management committee ([Agyei-Mensah, 2017](#); [Effah et al., 2022](#)). Accordingly, the creation of a risk management committee can be seen as a successful governance instrument that strengthens corporate openness and lessens information asymmetry.

H₁: Risk management committee affects FLID

One of the external factors that can affect the degree of corporate information disclosure, including forward-looking information disclosure, is political ties ([Agyei-Mensah, 2017](#); [Buertey & Pae, 2021](#)). Information asymmetry, in which management has more information than shareholders, is a common feature of the interaction between principals and agents, according to agency theory ([Jensen & Meckling, 1976](#)). Political ties can act as an extra

monitoring mechanism in this situation, motivating management to behave more openly ([Agyei-Mensah, 2017](#)).

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In order to preserve the company's reputation and lower the risk of conflicts of interest, directors with ties to political figures may be able to increase public pressure and external oversight of business operations, which would encourage management to increase information disclosure. Furthermore, political engagement encourages businesses to show accountability by disclosing strategic and future information as a duty to stakeholders ([Islam et al., 2023](#)). Therefore, political ties can improve company transparency and lessen the degree of information asymmetry ([Islam et al., 2023](#)). This justification leads to the formulation of the following study hypothesis:

H₂: Political connections affect FLID

Directors' educational backgrounds demonstrate their analytical and cognitive abilities, which are crucial for making strategic business decisions. According to agency theory, directors with more education typically have a greater grasp of their fiduciary duties and the requirements of shareholder disclosure ([Jensen & Meckling, 1976](#)). This knowledge motivates management to decrease information asymmetry by disclosing more information, including information that looks forward.

Higher educated directors are also thought to be more adept at projecting corporate potential, evaluating risks, and objectively communicating the company's strategic direction to stakeholders ([Wang et al., 2023](#); [Zhang et al., 2023](#)). They could enhance the board's supervisory role and guarantee the transparency of the reporting process if they possess such intellectual capacity. Therefore, the likelihood that the company will enhance forward-looking information disclosure to boost responsibility and investor confidence increases with the level of education of the directors.

H₃: Director's educational background affects FLID

Because it is thought to enhance decision-making and oversight effectiveness, gender diversity on the board of directors is a crucial component of corporate governance ([Yunarni et al., 2024](#)). According to agency theory, having female board members can improve management oversight procedures and possibly lessen information asymmetry between agents and principals ([Jensen & Meckling, 1976](#)). According to [Khairiddine et al. \(2020\)](#), female board members are typically more cautious and ethically sensitive, which encourages businesses to communicate information to shareholders and the public in a more transparent manner.

Additionally, gender diversity is thought to strengthen the monitoring and oversight functions of the information reporting process by expanding perspectives within the board and improving the dynamics of strategic discussions ([Kılıç & Kuzey \(2018\)](#)). Companies are more likely to be proactive in sharing forward-looking information to foster stakeholder trust when they have more governance and a stronger commitment to accountability ([Buertey & Pae, 2021](#)). This justification leads to the formulation of the following study hypothesis:

H₄: Gender diversity affects FLID

The frequency of board meetings indicates how actively the board performs its strategic and supervisory decision-making duties ([Aly et al., 2024](#)). Intense board meetings reduce potential conflicts of interest between agents and principals by allowing board members to better oversee management actions, according to agency theory ([Jensen & Meckling, 1976](#)).

In addition to improving internal communication and coordination between the board and management, more frequent meetings also enhance the quality of information generated and presented to stakeholders (Effah et al., 2022). The board of directors can make sure that the disclosed forward-looking information appropriately represents the company's strategy, risks, and prospects by using this approach. According to research by Buerthey & Pae (2021), Effah et al. (2022), and Mahardika & Kusumawati (2025), companies have a greater chance to increase the level of forward-looking information disclosure as a form of corporate transparency and accountability when board meetings occur more frequently. The following is the formulation of the research hypothesis based on this theoretical basis:

H₅: Frequency of board of directors meetings affect FLID

METHOD

The majority of listed issuers are non-financial companies, which offer broad industrial heterogeneity for evaluating governance practices in emerging markets (Irawan et al., 2025). These companies were selected because their governance and reporting characteristics differ from those of the more strictly regulated financial sector. The years 2021–2023 correspond with the introduction of OJK Regulation No. 45/2024, which tightens prospective disclosure requirements (Samudra & Tamamudin, 2025), and record post-pandemic changes in transparency practices. Since 2021, there has been more push to lessen information asymmetry due to stricter disclosure regulations. Three criteria were used to apply purposeful sampling: (1) consistently categorized as non-financial; (2) not delisted; and (3) complete yearly reports for 2021–2023. A total of 1,298 observations and 434 businesses were collected. EViews 13 was used to do panel regression analysis.

$$FLID = \alpha + \beta_1RMC + \beta_2PC + \beta_3BODe + \beta_4BODg + \beta_5BM + \beta_6ROA + \beta_7DER + \beta_8SIZE + \beta_9IT + \epsilon$$

FLID : Forward-Looking Information Disclosure α : Constant

β : Regression Coefficient

RMC : Risk Management Committee

PC : Political Connection

BODe : Educational Background of Directors

BODg : Board Gender Diversity

BM : Frequency of Board Meetings

ROA : Return to Asset

DER : Debt to Equity

Size : Ln Total Assets

IT : Industry Classification

ϵ : Error Term

The following indicators are used to measure all variables:

Variable	Indicators
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FLID	<p>FLID is proxied by giving a score of 1 if the company mentions a particular topic at least once, and a score of 0 otherwise. This study employs a forward-looking disclosure index comprising 26 items, based on research (Rahman & Khatun, 2024) considering both quantitative and qualitative information. Each item is scored with a score of 2 if it includes both quantitative and qualitative information, a score of 1 if it includes only one of them, and a score of 0 if no information is provided</p> $FLID_{score} = \frac{\text{Total Score of Disclosed FLID Items}}{\text{Total FLID Items that Should be Disclosed (52 Items)}} \times 100\%$
Risk Management Committee	Proxied by a dummy variable, score 1 if the company discloses the existence of a risk management committee, and 0 otherwise (Rahayu et al., 2021)
Political Connection	The measurement of political connection is adjusted by using a dummy variable, where a value of 1 indicates that the company has political connections, and 0 otherwise (Pinandito & Juliarto, 2024)
Educational Background of Directors	Proxied by the total score value on the education level of the board of directors (Putri, 2020) with a score of high school education level (1), Diploma (2), Bachelor (3), Master (4), Doctor (5). Diversity of education: $EDU\% = \text{sum of educational background scores} / \text{number of board directors}$
Gender Diversity of Directors	Total number of female directors on the board (Awad et al., 2023)
The Frequency of Board of Directors Meetings	Measured by the number of meetings in a year (Luthfiansyah & Wijayanti, 2022)
Control Variable	Indicators
Profitability	Measured by Return on Asset (Kusumawati et al., 2018)
Leverage	Measured by Debt to Equity Ratio (Li et al., 2014)
Firm Size	Measured the logarithm of total assets (Arifah & Wirajaya, 2018)
Industry Type	Proxied by a nominal categorical variable by the industry sector classification: 1 for the trade and services sector, 2 for the construction industry sector, 3 for the consumer sector, 4 for the manufacturing sector, 5 for the plantation sector, 6 for the property sector, 7 for the technology and infrastructure sector, 8 for the manufacturing sector IPC (in-process control), and 0 if not included in the categories above (Linsley & Shrides, 2005)

Table 1.
Definition
Operational
Variables

JRAK RESULTS AND DISCUSSION

15.4 The average level of forward-looking information disclosure (FLID) among non-financial companies from 2021 to 2023 was 65.3%, equivalent to 33 out of 52 disclosed items. The average value of the risk management committee (RMC) variable, proxied by a dummy variable, of 0.081 indicates that only about 8.1% of the companies in the sample have a risk

management committee in place. This reflects that formal risk governance structures are still relatively uncommon among non-financial companies in Indonesia.

The average value of the political connection variable, proxied by the proportion of government ownership shares, is 0.013. This shows that the average proportion of government shares in non-financial companies for the 2021-2023 period is only 1.3%. The educational background of the board of directors, as proxied by the total score value for the education level of the board of directors, has an average value of 3.82. The gender diversity of the board of directors, as proxied by total number of female directors, has an average value of 0.607. The average frequency of board meetings, twelve times per year, indicates a moderate level.

	FLID	RMC	PC	BODe	BODg	BM
Mean	0.653179	0.080894	0.013255	3.823575	0.607088	12.55162
Median	0.673077	0.000000	0.000000	3.000000	0.000000	11.00000
Maximum	0.884615	1.000000	1.000000	15.00000	6.000000	52.00000
Minimum	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Std. Dev.	0.098153	0.272777	0.095192	1.910608	0.836529	6.675138
Skewness	-3.014691	3.074072	7.528460	1.407141	1.813778	1.452716
Kurtosis	19.94756	10.44992	60.55356	5.853680	7.960160	6.165865
Jarque-Bera	17499.91	5046.027	191407.6	868.7768	2042.314	998.6072
Probability	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Sum	847.8269	105.0000	17.20520	4963.000	788.0000	16292.00
Sum Sq. Dev.	12.49535	96.50616	11.75287	4734.599	907.6148	57791.04
Observations	1298	1298	1298	1298	1298	1298

Table 2.
Descriptive
Statistics

Source: Processed data (2025)

Determination of the Estimation Model

Prior to choosing the suitable panel data estimation model, a series of diagnostic tests were performed to verify the robustness of the regression results. The results of the Pearson correlation analysis reveal that all correlation coefficients for the independent variables are below 0.80, suggesting that there are no strong linear relationships present. The Variance Inflation Factor (VIF) test further corroborates this finding, as all variables show VIF values under 10 and tolerance values exceeding 0.10, thereby confirming that multicollinearity is not an issue. Three model selection tests were carried out after it was confirmed that there was no multicollinearity in the data. The Fixed Effects Model (FEM) is better than the Pooled Least Squares model, according to the Chow test ($p = 0.0000$). Further evidence that FEM is better than the Random Effects Model (REM) comes from the Hausman test ($p = 0.0000$). However, the Lagrange Multiplier (LM) test was performed as a robustness check because of a near-singularity problem in FEM. The most suitable and statistically stable model for this investigation is REM, according to the LM result ($p = 0.0000$). The Random Effects Model was therefore chosen for more examination.

Hypothesis Testing

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.446459	0.059582	7.493130	0.0000
Risk Management Committee	0.022483	0.015090	1.489923	0.1365
Political Connection	0.082122	0.042487	1.932894	0.0535
Educational Background	-0.002027	0.002159	-0.938529	0.3481

Board of Directors' Gender Diversity	0.002526	0.004208	0.600277	0.5484
The Frequency of Board of Directors meetings	0.022558	0.007341	3.073017	0.0022
Profitability	0.001354	0.001655	0.818319	0.4133
Leverage	-9.24E-06	1.58E-05	-0.582899	0.5601
Firm Size	-3.42E-08	9.84E-08	-0.347376	0.7284
Industry Type	0.004862	0.002259	2.152487	0.0315
Effects Specification				
			S.D.	Rho
Cross-section random			0.070242	0.5923
Idiosyncratic random			0.058271	0.4077
Weighted Statistics				
Root MSE		0.060181	R-squared	0.093359
Mean dependent var		0.282228	Adjusted R	0.087024
Sum squared resid		4.701079	F-statistic	14.73646
Durbin-Watson stat		1.492475	Prob(F-statistic)	0.000000
Unweighted Statistics				
R-squared		0.082395	Mean dependent var	0.653179
Sum squared resid		11.46580	Durbin-Watson stat	0.611928

Table 3.
Regression
Equation

Source: Processed data (2025)

Based on the results of multiple linear regression tests, the equation of factors affecting FLID:

$$FLID = 0.446459 + 0.022483 RMC + 0.082122 PC - 0.002027BOD_e + 0.002526 BOD_g + 0.022558 BM + 0.001354 ROA - 9.24E-06 DER - 3.42E-08 Size + 0.004862 IT + e$$

The results of the F-test indicated an F-statistic of 14.73646, with a probability value of 0.000000, which is less than the significance level of 0.05. This suggests that the research paradigm is suitable for implementation. The R-squared value of 0.087024 indicates that the independent variables explain the dependent variable by 8.7%, as indicated by the coefficient of determination test. FLID was significantly influenced by the frequency of board meetings and industry classification, as noted in the t-test results for all independent and control variables.

Risk management committee has no effect on FLID

The results provide empirical evidence that the existence of a risk management committee has no effect on FLID. Based on agency theory, this committee is expected to serve as a means of overseeing the strategic and operational risks of the company, thereby encouraging transparency to stakeholders. In Indonesia, the establishment of a Risk Management Committee (RMC) outside the banking sector is not yet mandatory, relying instead on the initiative of each company.

In many cases, the formation of RMC is done solely to fulfill certain expectations, even though the company does not have sufficient human resources to fill the position. When the formation of RMC is done involuntarily and not accompanied by adequate readiness, the implementation of its duties and functions tends not to be optimal (Devi et al., 2017).

The establishment of risk management committees in many companies remains a formality, serving only to fulfill corporate governance requirements without being followed by an objective function in the strategic decision-making process or the preparation of annual reports. The lack of authority, limited technical expertise among members, and the lack of

direct involvement in the process of disclosing strategic information cause the role of this committee to be suboptimal. Thus, although structurally established, risk management committees in Indonesia have not entirely played a role in encouraging FLID. This research is consistent with research [Indarti et al. \(2023\)](#), who found that the risk management committee has no effect on corporate voluntary disclosure.

Political connection has no effect on FLID

The study's findings show that the degree of forward-looking information disclosure (FLID) is unaffected by political ties. This result is in line with the agency theory viewpoint, which highlights that information openness is contingent upon the efficiency of supervision procedures in preventing management's opportunistic behavior ([Jensen & Meckling, 1976](#)). In this situation, political connections are frequently used for the company's internal goals rather than serving as a supervisory tool that enhances accountability ([Mutiganda & Järvinen, 2021](#)).

Without having to expand information disclosure to the public, directors with political ties frequently use them to obtain access to outside resources, regulatory protection, or specific strategic advantages ([Cheng et al., 2017](#)). Political ties undermine external pressure on management as a result, which lessens the motivation to lessen information asymmetry. Therefore, the corporate governance system does not effectively use political ties as a monitoring mechanism ([Khan, 2025](#)). According to earlier research ([Cheng et al., 2017](#); [Muttakin et al., 2018](#)), businesses with strong political ties typically have lower disclosure levels because they feel shielded from market and regulatory oversight. Based on agency theory, these conditions indicate that political connections are more oriented toward the internal interests of the company than toward increasing external transparency, thus not having a significant effect on FLID.

FLID is not influenced by the educational background of directors

The results of this study are inconsistent with the findings of [Wang et al. \(2023\)](#) which suggest that directors with higher education levels tend to care more about sustainability and transparency, and contribute to the disclosure of strategic information. In this context, directors' education is an important factor in promoting corporate disclosure. This difference may be due to the institutional context in Indonesia, where a high level of directors education does not always guarantee a real contribution to the quality of disclosure ([Fitriasari & Soewarno, 2024](#)). Board positions are often filled not because of academic qualifications, but because of personal, professional, or shareholding affiliations. This renders the educational background an administrative attribute with no direct impact on the company's reporting activities. Additionally, if the education held is not relevant to the field of business or financial reporting, its influence on FLID is limited. Thus, to have an impact on information disclosure, an active role and strategic position in the corporate governance process must follow higher education.

This study is consistent with [Fitriasari & Soewarno \(2024\)](#) which proves that the educational background of directors does not influence voluntary disclosure. The decision to voluntarily disclose is mostly influenced by company policy, the need to maintain reputation in the eyes of investors, pressure from stakeholders, and compliance with good governance principles, not solely by the level or field of education of directors. Voluntary disclosure is often a corporate communication strategy that involves a range of practical and commercial considerations, such as market conditions, the level of competition, and the direction of majority shareholders. Therefore, while education may enrich individual insights, its

influence on collective disclosure decisions is limited as it does not directly reflect the attitudes, practical experience or overall managerial strategy of the company.

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FLID is not influenced by the gender diversity of directors

The research result suggests that flid is not influenced by gender diversity on the board of directors. This finding contradicts legitimacy theory, which considers gender diversity as a reflection of inclusive values and commitment to transparency. Research by [Kılıç & Kuzey \(2018\)](#) also states that women on boards have a higher propensity towards ethics, prudence, and concern for stakeholders, thus encouraging better disclosure. However, in practice, the position of women on the board of directors in many Indonesian companies still does not reflect equal power of influence. In family companies, for example, women directors are often symbolic and not involved in strategic decision-making. This means that the presence of women on boards does not automatically affect the level of corporate disclosure. Therefore, increasing the number of women needs to be accompanied by strengthening their role and capacity so that gender diversity really has a real impact on the quality of corporate governance and disclosure.

Aligned with the findings of [Viola et al. \(2023\)](#), the underrepresentation of women on corporate boards is linked to persistent leadership stereotypes and career interruptions post-maternity leave, a phenomenon referred to as the “Leaky Pipe Problem”. [Corporation \(2019\)](#) reveals that companies still value masculine traits more than women's communal characteristics, making it difficult for women to be promoted to top positions. In addition, the lack of policies that support gender diversity also worsens the situation. In Indonesia, there are no specific regulations governing women's representation at the managerial level. The dominance of men in specific sectors, such as the high-risk mining industry, also affects the low number of women on boards.

[Kanter \(1977\)](#) critical mass theory posits that women's influence on boards becomes significant only when their numbers reach a certain threshold. Research indicates that a minimum of three people or 30-40 percent as the critical limit for their impact to be felt ([Commission, 2022](#)). Research in Indonesia also reveals the same findings, as seen in studies by [Manita et al. \(2018\)](#), indicate that the inclusion of women on boards has not produced a substantial effect. Based on descriptive statistics, this study shows that the average number of women is 0.60, indicating that there are still companies without a female director.

The frequency of board meetings affects FLID

The frequency of board of directors meetings is proven to have a significant effect on the FLID. This result supports agency theory, which states that more frequent board meetings can improve the effectiveness of supervision and the quality of decision making. Regular meetings provide a broader discussion space on strategic issues, including future risks and opportunities that need to be communicated to the public through FLIDs. This research aligns with the studies of [Alnabsha et al. \(2018\)](#) which revealed that frequent and intensive board meetings contribute positively to the level of transparency in corporate reporting. High board meeting frequency in Indonesia can be seen as a sign of a company's commitment to fulfilling its accountability and governance obligations ([Alnabsha et al. \(2018\)](#)). This demonstrates that in addition to formal structures, a company's strategic information disclosure quality can be influenced by active and participatory internal dynamics ([Alnabsha et al., 2018](#)). The disclosure of forward-looking information is impacted by the frequency of board meetings because more frequent meetings result in a more intensive process of coordination, supervision, and strategic decision-making that promotes transparency

regarding the company's future ([Buertey & Pae, 2021](#); [Kılıç & Kuzey, 2018](#)). Additionally, regular meetings improve the company's public communication strategy, facilitate a quicker response to business dynamics, and promote communication between the board and management ([Haque et al., 2025](#)).

This clause complies with Financial Services Authority (OJK) Regulation No. 33/POJK.04/2014, which mandates that the board of directors meet frequently in order to enhance the efficacy of oversight. The board's commitment to openness, which is highlighted in the Indonesian Good Corporate Governance standards, is demonstrated by the frequent meetings ([Haque et al., 2025](#)). According to [Bellavista et al. \(2018\)](#), the monitoring role is strengthened by intense meeting activities, which also help to improve the quality and scope of the company's forward-looking information disclosure (FLI

Effect of Profitability, Leverage, Size, and Industry Type on FLI Disclosure as control variable

The findings indicate that among the four control variables examined, only the type of industry (IT) significantly influences the disclosure of forward-looking information, but profitability (ROA), leverage (DER), and firm size (size) do not effect on FLID. This implies that the industry in which a company operates plays a role in shaping both the extent and nature of prospective information disclosure. Companies in sectors that are more dynamic, sensitive to public opinion, or highly regulated (e.g. technology, consumer, and infrastructure) tend to provide higher prospective disclosures as they face greater investor expectations and external pressures.

This finding is consistent with [Linsley & Shrides \(2005\)](#) and [Haque et al. \(2023\)](#), which show that industry sector differences affect disclosure variations, including aspects of risk, innovation, and future projections. Meanwhile, profitability (ROA), leverage (DER), and firm size (size) have no effect on FLID. This finding is inconsistent with signaling theory and several previous studies, such as [Arifah & Wirajaya \(2018\)](#), which suggest that companies with larger size, higher profitability, or healthy capital structures tend to be more open in their disclosure. In the context of this study, this insignificance indicates that internal financial factors do not automatically encourage prospective information disclosure. This is most likely because the impetus to disclose FLIDs depends more on external pressures (such as regulation and public perception) or on active internal governance mechanisms, such as the frequency of board meetings, rather than exclusively by the company's financial state.

CONCLUSION

This study provides empirical evidence on the effect of corporate governance characteristics on forward-looking information disclosure (FLID) in non-financial companies listed on the Indonesia Stock Exchange during the period 2021–2023. The results show that the frequency of board meetings has a significant effect on FLID, indicating that the intensity of board supervision encourages increased prospective information disclosure. Conversely, risk management committees, political connections, directors' educational backgrounds, and gender diversity on the board have no effect on FLID. This shows that formal governance structures and individual attributes of the board are not yet the main drivers of prospective transparency in Indonesia. For control variables, only industry type has a significant effect on FLID, while profitability, leverage, and company size have no effect. Overall, these results confirm that prospective information disclosure is more influenced by the effectiveness of internal oversight and industry characteristics than by the financial or demographic factors of the board.

The measurement of the gender diversity variable on the board of directors in this study uses the number of female directors. It is recommended that the measurement of gender diversity use the ratio of female directors to total directors, so that the calculation can be more accurate and better reflect the level of diversity across companies.

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