

## Chapter 5

### CONCLUSIONS AND SUGGESTIONS

#### 5.1 Conclusions

Based on the findings of determining the factors that influence intellectual capital disclosure of listed companies in the main board on the Indonesia Stock Exchange, the following conclusions were reached:

1. Firm size has a significant effect on the extent of intellectual capital disclosure. According to how it can be viewed, the company's size will correspond to the higher level of disclosure of intellectual capital information in the company's annual report.
2. Profitability has no significant effect on the extent of intellectual capital disclosure.
3. Leverage has no significant effect on the extent of intellectual capital disclosure.
4. Type of audit firm has no significant effect on the extent of intellectual capital disclosure.
5. Industry type has a significant effect on the extent of intellectual capital disclosure. This means that industry type as high technology companies

make more information regarding intellectual capital available in their annual reports.

## 5.2 Limitations and Suggestions

There are several limitations and suggestions in this study, including:

1. The conclusions of this study are limited to companies listed on the IDX main board in Indonesia, yet they can be applied to other countries. It is suggested that more research be conducted in order to broaden the scope of the study. To improve the quality of the study results, it is possible to add relevant factors and expand the field of research.
2. The classification of industry types for high-tech and non-high-tech enterprises in Indonesia has begun to evolve, and it is advised that further researchers modify for the categorization of these industrial types.
3. As a measure of ICD, content analysis is used in this study so that there is a researcher's subjectivity. Other measurements can be used by the next researcher for greater insight.
4. The results revealed that firm size and industry type had a positive impact. It is suggested for companies with low total assets and classified as non-high-technology companies should report their intellectual

capital management more broadly in order to provide complete information to stakeholders in making decisions.

5. Based on the percentage determination coefficient (adjusted R<sup>2</sup>), it can be inferred that, in addition to the variables adopted for this research, there are might be other determinants that can be investigated in association to influencing the extent of intellectual capital disclosure. To improve the quality of research results, it is suggested that the future study use relevant variables other than current research variable.

### **5.3 Implications**

The paper makes a contribution by adding to Indonesia's minimal ICD literature. Furthermore, the publication contributes to practice by giving empirical evidence about current ICD practices and factors in annual reports following IAS 38. The presence of IAS 38 indicates that the international business community recognizes the importance of IC. As a result, enhanced disclosure, particularly of IC, is required to attract more investors and support Indonesian economy's further growth. As a result, factors associated with increased IC disclosure are investigated in this study in order to evaluate future improvements. This information would help to determine and comprehending the factors that determine the degree of ICD. As a result, it may be useful in improving ICD in annual reports.