

## **CHAPTER V**

### **CONCLUSIONS, SUGGESTIONS, AND LIMITATIONS OF RESEARCH**

#### **A. Conclusions**

This study aims to determine the effect of corporate governance mechanisms towards high IC-Intensive companies listed on the Indonesia Stock Exchange and Bursa Malaysia in 2015 and 2016. Based on the purposive sampling method, 169 sample data for Indonesia and 194 data for Malaysia. This research uses disclosures index of 40 items developed by Haji and Ghazali (2013) and this index has been adjusted for developing countries.

Based on the results of data analysis and hypothesis testing using SPSS Statistic 15.0, it can be concluded as follows:

1. The board size has a positive significant effect towards intellectual capital disclosure in Indonesia
2. The board size has no effect towards intellectual capital disclosure in Malaysia
3. CEO Duality has no effect towards intellectual capital disclosure in Indonesia and Malaysia
4. The number of audit committee has a positive significant effect towards intellectual capital disclosure in Indonesia and Malaysia

5. The existence of women on board has no effect towards intellectual capital disclosure in Indonesia and Malaysia
6. There is no difference in the level of intellectual capital disclosures in Indonesia and Malaysia.
7. There are differences in the effect of board size, CEO duality, audit committee, and board gender towards intellectual capital disclosures level in Indonesia and Malaysia.

## **B. Suggestions**

Based on the results of this study there are several suggestions for improvement of future research as follows:

1. Increase the number of samples so that the results of the research can reflect the real conditions.
2. The future research should use wider variables of corporate governance that more relevant and influence the intellectual capital disclosure, like family ownership.
3. The further research is expected to compare with other countries (comparative study).

## **C. Limitations of Research**

This study was conducted with some limitations of research which these limitations can affect the results of research. The limitations in this study as follows:

1. The adjusted  $R^2$  level is low, for Indonesia 19,9% and for Malaysia 7,6%. It was indicated that other variables that were not used in this research had a greater influence towards ICD
2. The research only use three proxies of corporate governance mechanism namely, board size, CEO duality, audit committee, and board gender
3. This research only compares the two countries of Indonesia and Malaysia.