Discovering Intellectual Capital through Photos

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Abstract

Intellectual Capital (IC) is an intangible asset that is important for a company to increase value. However, only a few reports IC because IC reporting is not mandatory, although this information is essential for stakeholders' decision making. This study aims to investigate the disclosure of IC through photos in annual reports and to analyze the purpose of using these photos. This research is different from prior studies by using data in the form of images depicting IC in annual reports. This mixed methods research used a visual content analysis approach within a frame of impression management theory to analyze the intent of using photos, followed by a statistical differential test. This study used 2360 photos contained in 38 annual reports of service companies. This study found a narcissistic leader tendency and the existence of the glass ceiling phenomenon. In addition, human capital was the most frequently disclosed IC component. The impression management carried out by the company was also found through the specific and non-specific photos displayed. This research is expected to be used as a reference for the development of future accounting research. In addition, this research is also expected to provide an understanding of the use of photos in representing reality in annual reports so that it could be helpful in stakeholders' decision-making.

Keywords: Intellectual Capital; Impression Management; Photo; Narcissistic; Glass Ceiling

1. Introduction

The relevance of accounting information to assess companies has been much debated, especially for companies that have increased their use of intangible assets in the form of intellectual capital (IC) (Abhayawansa & Guthrie, 2010). However, IC-related information could not be fulfilled by traditional financial reports because there is no proper framework for IC reporting (Melloni, 2015). Traditional financial reporting fails to provide intangible assets information such as staff competence, customer relations, corporate strategy, reputation, and products, although these are important components of IC that can increase company value (James Guthrie & Petty, 2000; Mulyadi & Panggabean, 2017). This causes asymmetric information between the company and its stakeholders.

Visualization in the form of images, photos, or infographics has been widely used to convey information through various media (Davison, 2014). In the accounting field, visualization is commonly used in annual reports as the medium of information and communication of a company to stakeholders. Visualization in the form of photos is important in accounting because it provides more transparent information, multi-interpreted messages from various points of view of readers, and serves as additional information and impression management (Davison, 2014). For instance, information regarding corporate identity, product brand, management strategies, and various other aspects of the company can be seen

through photos used by management in annual reports (Davison, 2008). Photos are often well documented by management, especially to give a certain impression (Coleman & Wasike, 2004). However, only a few accounting studies currently examine the use of photos in public accounting annual reports profoundly (Parker, 2009). Visual images such as photos are often taken for granted, seen as mere decoration and rhetoric (Davison & Warren, 2009).

Photos are a form of visual imaging (Davison, 2007), which are widely used in communication media, such as annual reports. Photos are often interpreted as depicting real events or activities (Barthes, 2010). Information in the form of photos is believed to have been presented naturally, thereby showing the transparency and credibility of the company to stakeholders (Mouritsen et al., 2001). This objectivity is the power of photos in influencing the decisions of stakeholders. Photos have been used for a long time and are increasingly playing an important role in annual reports (Beattie, Dhanani, & Jones, 2008). Information in photos is easier to remember and is more appealing than words (Parker, 2009; Schneider et al., 2012). Knoblock et al. (2003) stated that photos on annual reports could influence readers to view and interpret photos before paying attention to text information. Photos on annual reports serve as aesthetics and are also used to convey messages to stakeholders (Ramo, 2011). Photos have complex meanings and can describe various aspects (Jones, 2011). In addition, photos can provide different meanings to each stakeholder, depending on their point of view (Davison, 2014). Photos are believed as a depiction that integrates with its objectivities. This supports information transparency for stakeholders to legitimize the performance of the company (Ramo, 2011). On annual reports, photos can be used to display company IC-related information. Several foreign researchers have used photos on annual reports to investigate companies' IC disclosure (see, for example, Davison, 2007, 2009, 2010, 2011, 2014; Davison & Warren, 2009; Ramo, 2011). Davison (2014), for example, examined the rhetorical form and visual repetition of various types of IC (human capital, structural capital, and relational capital) in annual reports.

Foreign accounting studies have been developed by using visual media such as photos or illustrations as research objects (Davison, 2002, 2008, 2010, 2014; Davison & Warren, 2009; Ramo, 2011). In addition, there are visual studies that specifically discuss IC (Davison, 2007, 2010). However, this has not been done in Indonesia. Hence, this study contributes to the literature by examining differences in IC disclosure that prior studies have not carried out. IC related studies in Indonesia focus more on measurement through IC components (human capital, structured capital, and relational capital) and its effect on company performance (Aprilia & Isbanah, 2019; Barokah et al., 2018; Gustina, 2019; Jayanti & Binastuti, 2017; Kuspinta & Husaini, 2018; Wijayani, 2017). In addition, IC disclosure also focuses a lot on contextual analysis using descriptive methods and content analysis (Ardianto & Rivandi, 2018; Devi et al., 2017; Faradina, 2016; Rezki, 2018; Ulum, 2015; Ulum et al., 2019). This study is different because using photos to measure IC disclosure.

Photos are displayed to readers with a specific purpose, such as photos in annual reports that are used as an effort to manage corporate impressions (McKinstry, 1996). In this case, photos are displayed to form a positive perception of the readers (Ivanchevich et al., 2006), especially information related to the company's IC, which is not widely disclosed in the financial statements. Therefore, studies that use visual media in the form of photos need to be carried out in Indonesia to find patterns of photo usage in annual reports, especially photos related to IC information disclosure, because the disclosure is still voluntary. In particular, this study aims to identify and examine the disclosure of IC depicted through photographs in annual reports and to analyze the purpose of using these photographs.

2. Research Design and Method

This was a sequential exploratory mixed methods study. First, the qualitative method is carried out through data processing in the form of photos with visual content analysis approach. Visual content analysis study is a systematic method used to analyze visual representations, whether in the form of people, events, or situations that require content to be classified and observed (Bell, 2001). The visual content

analysis approach turns the visual material into a code that can be calculated and analyzed mathematically (Bock et al., 2011), so that it can answer the question of who or what is represented by the photo and can reduce the complexity of the information in it (Bock et al., 2011). After the photos are categorized, the data is processed using a non-parametric difference test because the data obtained does not meet the normality prerequisites to be tested parametrically.

This study used secondary data from the 2018 annual reports from service companies listed on the Indonesia Stock Exchange (IDX). The service company sector was chosen in this study because it is known to use more intellectual resources than other sectors (Dewi et al., 2014). Samples in this study were classified into two types: high-IC and low-IC intensive companies (based on the Global Industry Classification Standard as shown in Table 1). This was used to determine the difference in IC disclosure between the two types of companies.

Table 1. High-IC Intensive and Low-IC Intensive Industries Classification

IC Type	Service Industry
High-IC Intensive	Bank; Capital Goods; Commercial Services and Supplies Consumer Services; Diversified Financials; Real Estate; Health Care Equipment and Services Insurance; Software and Services; Media; Technology, Hardware, and Equipment Telecommunication Services
Low-IC Intensive	Energy; Transportation; Consumer Durables and Apparels; Food Staples and Retailing; Commercial Services and Supplies; Utilities

Source: Woodcock & Whiting (2009)

This study focused on finding out the differences in IC disclosure through photos on annual reports company with high-IC and low IC intensive and identifying its motives. This study is expected to be useful for stakeholders in making decisions such as investment decisions, stock recommendations, and portfolio assessments. This study involved 38 companies as the samples, consisting of 24 high-IC intensive and 14 low-IC intensive companies. The samples were determined with a random sampling method. Data were collected in several steps. First, we searched for service companies listed on IDX in 2018 and published annual reports (n=355). The companies were classified into high-IC intensive (n=299) and low-IC intensive (n=126) groups. Second, through random sampling, 38 companies representing each sector were selected by considering the high and low IC intensive groups. The study population is quite large in number and is assumed to be homogeneous (service companies) (Fitrah & Lutfiyah, 2017). Hence, the random sampling technique was chosen to provide equal opportunities for each company to be the study samples (Fitrah & Lutfiyah, 2017). Third, the photos in the annual reports were analyzed and coded according to the category in two different Microsoft Word worksheets. This study focused on the use of IC-related photos in annual reports according to the IIRC classification, as in Table 2.

In this study, photos (n=2,360) were analyzed using a method referring to the study of Chong et al. (2017), who divides the analysis process into three steps. First, identification of photos depicting IC in annual reports. All IC photos, whether they had explanatory text or not, were downloaded and stored. Second, photos were classified according to the IC type, whether it was human, structural, or relational capital. Photos were also classified by coding based on the type of position (leader or employee), based on the presence or absence of exposed women, and based on the specificity of the displayed photos. The coding results were used to determine the level of IC disclosure based on the displayed type, gender, and position. These data were also used to identify the specific photo that emerged because this type of photo was often used to manage corporate impressions (Chong et al., 2017).

The third step was data analysis. In this step, the impression management theory frame was used to interpret the messages depicted by the IC-related photographs in the annual reports. In addition, different tests were also carried out to see if there were differences in disclosure between IC categories.

The Wilcoxon Signed-Rank test was used to compare the disclosures in human capital, structural capital, and relational capital. In addition, the disclosure of photos by gender and specification was also tested.

Table 2. Indicator of Photo Type Classification

Code	IC Category	Depicted photo	Indicators
S	Structural Capital	Photos that depict intangible knowledge-based organizations including: 1. Intellectual property: patents, copyrights, software, rights, and licenses 2. Organizational capital: tacit knowledge, systems, and procedures	1. Photos of company building 2. Photos of machines, technology, applications, and company facilities for operational activities 3. Photos depicting the R&D of the company 4. Product photos of the company and its brand 5. Photos depicting the production process 6. Photos of new building inauguration
H	Human capital	Photos depicting the competencies, abilities, experience, and motivation of people to innovate include: 1. Alignment and support of organizational governance, risk management approach, and ethical values 2. Ability to understand, develop and implement organizational strategy 3. Loyalty and motivation to improve processes, goods and services, including their ability to lead, manage, and collaborate	1. Photos of company leaders 2. Photos of employees during working or merely carrying equipment for working 3. Photos that explain the activities of training, development, and efforts to improve the quality of human resources 4. Photos in the form of awards for company achievements, except certificates and plaques
R	Relational capital	Institutions and relationships within and between communities, stakeholder groups, and other networks and the ability to share information to enhance individual and collective well-being. Relational capital includes: 1. Shared norms, common values, and behaviors 2. Key stakeholder relationships and willingness to engage in building and protecting external stakeholder trust. 3. Organizational social license to operate	1. Photos depicting people (customers) 2. Photos depicting relationships with stakeholders 3. Photos depicting relations with the government 4. Photos depicting cooperation with other parties (government or other similar companies) 5. Photos depicting contributions to the community around the company (such as socialization, seminars, donations, workshops, public expose)

Adapted from IIRC (2013).

3. Results and Discussion

Statistical Result

The results of the study indicated that the disclosure of IC in photos mainly was carried out by high IC intensive (72.5%) companies compared to the type of low IC intensive (27.5) company (see Table 3). These results support the study (Oliveira et al., 2006; Woodcock & Whiting, 2009), which also found that companies with high IC intensive are more involved in voluntary disclosure of IC. Companies with high-IC intensive have few tangible assets, so they need to disclose IC to legitimize the company (Guthrie et al., 2004; Woodcock & Whiting, 2009).

Of the three IC components, this study found that human capital disclosed more than any other IC components, both in high-IC and low IC intensive companies, with a value of 46.44% (see Table 3). Statistically, with a paired sample test with WilcoxonSigned Rank, disclosure of human capital was higher than structural capital ($z = -2.868$, $p < 0.01$) and relational capital ($z = -3.874$, $p < 0.001$). These results support the research by Susanti & Widayanti & Bruggen et al. (2009; 2018), who found that

the disclosure proportion of human capital on annual reports is always larger than other IC components.

Table 3. IC disclosure

	Human Capital (H)		Structural Capital (S)		Relational Capital (R)		Total	
	n	**%**	**n**	**%**	**n**	**%**	**n**	**% ***
Panel A *High-IC Intensive*								
Advertising, printing & media	145	52.35	102	36.82	30	10.83	277	11.74
Property & real estate	45	19.15	166	70.64	24	10.21	235	9.96
Commercial Services and Supplies Consumer Services	137	63.13	66	30.41	14	6.45	217	9.19
Telecommunication	76	36.71	39	18.84	92	44.44	207	8.77
Health	85	50.30	64	37.87	20	11.83	169	7.16
Construction	91	56.88	60	37.50	9	5.63	160	6.78
Capital market	53	37.59	22	15.60	66	46.81	141	5.97
Bank	54	57.45	11	11.70	29	30.85	94	3.98
Financing	41	53.25	9	11.69	27	35.06	77	3.26
Computer	25	37.31	10	14.93	32	47.76	67	2.84
Insurance	36	87.80	3	7.32	2	4.88	41	1.74
Investment	19	73.08	5	19.23	2	7.69	26	1.10
Total of *High-IC Intensive*	807		557		347		1711	72.5
% High-IC Intensive	47.17		32.55		20.28		100	
Panel B *Low-IC Intensive*								
Toll, airports	87	42.86	64	31.53	52	25.62	203	8.60
Retailing	53	44.92	25	21.19	40	33.90	118	5.00
Construction Non-Building	49	59.04	16	19.28	18	21.69	83	3.52
Restaurant, hotel, hospitality	26	35.62	38	52.05	9	12.33	73	3.09
Other consumer discretionary	12	16.90	34	47.89	25	35.21	71	3.01
Transportation	36	58.06	20	32.26	6	9.68	62	2.63
Energy	26	66.67	10	25.64	3	7.69	39	1.65
Total of *Low-IC Intensive*	289		207		153		649	27.5
% Low-IC Intensive	44.53		31.90		23.57		100	

Note: * shows a percentage from 2360.

The company has its own reason for disclosing human capital, which is to obtain support from stakeholders for the company's sustainability (Abeysekera, 2008). The company is trying to convince stakeholders through information related to the human capital capacity it owned. Other than that, information regarding the human capital of the company is needed by stakeholders to analyze the potential of the company in the future (Susanti & Widayanti, 2018). This is because the potential, abilities, skills, level of human capital education owned by the company can add value and explain the prospects of the company (Susanti & Widayanti, 2018).

Bruggen et al. (2009) stated that the type of company is a determinant in the IC disclosure in annual reports. Table 3 also shows the different types of IC disclosed in each sub-sector. Human capital is widely disclosed by insurance, investment, and energy companies. This is due to the capability of the human resources of these companies as the main thing sold to customers. The result is different from companies engaged in property and real estate, as well as restaurants, hotels, and tourism. Their products are facilities enjoyed by customers, and hence, they reveal more structural capital compared to other IC components. In contrast, relational capital is widely expressed by financial/investment, computer and services, and telecommunications companies, where good relationships and communication with customers are the main factors to expand their business.

The photos found were also divided into photos of leaders (685) and employees (411), both in high-IC and low-IC industries. The interesting point is that the photos of human capital significantly show more of the leaders than employees (z = -3.984, p < 0.001). Photos shown on annual reports can

be the attempt of leaders to expose themselves to gain recognition from stakeholders (Chatterjee & Hambrick, 2007). This reflects the personality of a narcissistic leader (Lubit, 2002), a person who loves himself too much, causing a desire always to get recognition for his abilities (Rijsenbilt, 2011). Therefore, leaders always try to stay visible and try to affirm stakeholders (Chatterjee & Hambrick, 2007; Rijsenbilt, 2011).

A portrait of leaders on annual reports is often displayed individually as a passport photo showing only the face and shoulders (see Figure 1) and completed with brief biographical information.

Figure 1a. Individual leader   **1b. Leaders in group**
Source: 2018 annual reports of NOBU, CFIN, BABP, and VIVA

Portraits of leaders can be used for good impression management. It is done since the portrait of leaders is an intellectual asset, a symbolic asset, and a social asset related to the intangible asset company, so it can be the main key to assessing a company's performance and potential (Davison, 2010). The leader's portrait can be significantly eye-catching because the human face has a certain attraction and can show morality (Campbell et al., 2009). Most of the leader's photos on annual reports show a leader who has a good-looking face. This means that physical appearance can provide attraction. The physical attractiveness of leaders relates to business success (Fruhen et al., 2015; Nicholson et al., 2016; Sarpila & Erola, 2016). Figures 1a and 1b also show intangible quality, which can be seen through the physical code (dress) and interpersonal code. Figures 1a and 1b depict the leaders wearing formal attire with a black suit. Formal attire often conveys higher power and status (Davison, 2010), while the black color of the suit can be interpreted as power because the color is bold and prominent. In addition, the interpersonal code is indicated by a charismatic face that is symbolized by the smile of the leader. An open smile indicates that the leader has an open nature or intend to provide detailed information to others (Allan & Pease, 2004). Figure 1b also describes the professionalism of women in working through a physical dress code (Davison, 2010). Women are shown by challenging gender perceptions, which disguise their femininity. Women are shown to be more masculine, reflected through clothes in the form of shirts and coats (identical to men's clothing). (Davison, 2010). Therefore, it can also be concluded that masculinity is indispensable for a leader, especially for female leaders. This suggests that portraits of leaders can be used as visual rhetoric for impression management towards stakeholders to influence their decisions. Portraits of employees are often shown in groups and seen doing activities together (see Figure 2a). The portraits of individual employees are still displayed in relation to their work (see Figure 2b).
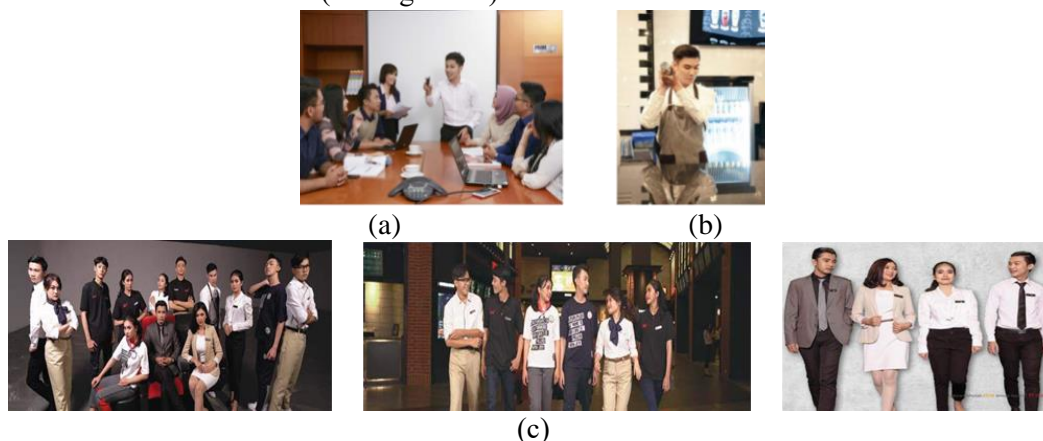

(a)   (b)

(c)
Figure 2. Employees photos in service companies
Source: 2018 annual reports of VRNA and BLTZ

Photos related to human capital, which featured women (407) and men (689) in the photos of managers (685) and employees (411) are also distinguished. Photos of women are shown less than photos of men. This shows discriminative behavior in the company, where companies prefer to present men and are reluctant to present women without being accompanied by men (Benschop & Meihuizen, 2002). Thus, the photos displayed on annual reports do not reflect objective reality but are an interpretation of reality (Duff, 2011; Li et al., 2017).

According to social status, women were more commonly shown as employees. It was around 55.96%, while men were shown more as leaders, which was around 74.16%. This was also confirmed statistically, where there were more photos of men than women as leaders ($z = -5.005$, $p < 0.001$), while photos of men as employees were fewer than women as employees ($z = -2.312$, $p < 0.05$). The dominance of men as leaders shows that it is still difficult for women to occupy higher positions, even though they have education, work experience, and qualities that are equal to men. This clearly shows that the glass ceiling phenomenon is still attached to service companies in Indonesia, where there are invisible barriers for women to become leaders in a company (Barnes, 2017; Burns et al., 2017; Surawicz, 2016). These barriers can be in the form of a culture that develops in the company that still believes in gender stereotypes.

Women in companies are most known for their femininity, while men are for their masculinity (Burns et al., 2017). Good leadership, in general, is more identic to male masculine traits, i.e., good decision-makers, organized, assertive and strategic, while women are more sensitive, caring, compassionate, responsive, democratic, participatory, and nurturing. (Davis & Maldonado, 2015). Therefore, women should try harder to fight the glass ceiling back to become company leaders. Based on this, it can be concluded that the position of leaders in service companies is still dominated by men who are considered more capable than women (see Figure 1b).

Table 3 shows that photos with specific categories were more widely disclosed, both in high-IC and low-IC intensive companies. This showed that companies used photos to build trust in stakeholders through the nature of photos that described reality. This supports the transparency and credibility of information to stakeholders that can be used to legitimize the performance of a company. In addition, Table 3 also shows that specific photos revealed more human capital compared to other IC types. This is in line with the previous results, in which human capital has a high percentage of IC disclosures compared to structural capital ($z = -3.472$, $p < 0.01$) or relational capital ($z = -3.622$, $p < 0.001$).

Table 3. Specific vs non-specific photos

	High-IC Intensive				Low-IC Intensive				Total			
IC	**Specific**	**%***	**Non-Specific**	**%***	**Specific**	**%****	**Non-Specific**	**%****	**Specific**	**%*****	**Non-Specific**	**%*****
H	518	32,38	289	18,06	218	33,59	71	10,94	736	31,19	360	15,25
S	396	24,75	161	10,06	73	11,25	134	20,65	469	19,87	295	12,50
R	269	16,81	78	4,88	126	19,41	27	4,16	395	16,74	105	4,45
	1183		528		417		232		1600		760	

Notes: * shows percentage from 1711; ** shows percentage from 649; *** shows percentage from 2360.

Human capital is a crucial resource for future growth (Nkundabanyanga, 2016), thus encouraging companies to disclose more voluntarily. Human capital photos are specifically displayed to show transparent reality to stakeholders (Chong et al., 2017). This means the company builds more trust of stakeholders through the ability and quality of its human resources. The company demonstrates its ability to produce quality products and fine services according to customer expectations through the human capital it owns (Chong et al., 2017). For this reason, specific photos related to human capital can reflect the prospects of a company to influence the decisions of stakeholders.

This study also looked at the differences in the use of specific and non-specific photos that

described IC based on the sub-sector of a company. Specific photos are used as an effort for promotion, while non-specific photos tend to be used to build a company image (Chong et al., 2017). The comparison results of specific and non-specific photos usage based on the sub-sector of the company showed differences. Table 4 shows that property and real estate companies tend to use specific photos to reveal structural capital. In contrast, telecommunication service companies use it to express relational capital. This indicates that specific photos are used for promotion. Table 4 also shows that non-specific photos in advertising, printing, and media companies as well as trading and distribution companies are primarily used to reveal human capital, as seen in Figure 2c. This shows that the company is trying to build a good image by displaying its human resources.

Tabel 4. Specific vs non-specific photos by industry sectors

	Specific			Subtotal**	Non-Specific			Sub total**	Total
	H*	S*	R*		H***	S***	R***		
Advertising, printing & media	55	72	19	146	90	30	11	131	277
	3.44%	4.50%	1.19%	6.19%	11.84%	3.95%	1.45%	5.55%	
Property & real estate	44	159	23	226	1	7	1	9	235
	2.75%	9.94%	1.44%	9.58%	0.13%	0.92%	0.13%	0.38%	
Commercial Services and Supplies Consumer Services	64	23	11	98	73	43	3	119	217
	4.00%	1.44%	0.69%	4.15%	9.61%	5.66%	0.39%	5.04%	
Telecommunication	66	34	72	172	10	5	20	35	207
	4.13%	2.13%	4.50%	7.29%	1.32%	0.66%	2.63%	1.48%	
Health	55	51	9	115	30	13	11	54	169
	3.44%	3.19%	0.56%	4.87%	3.95%	1.71%	1.45%	2.29%	
Construction and building	72	21	9	102	19	39	0	58	160
	4.50%	1.31%	0.56%	4.32%	2.50%	5.13%	0.00%	2.46%	
Capital market	30	14	58	102	23	8	8	39	141
	1.88%	0.88%	3.63%	4.32%	3.03%	1.05%	1.05%	1.65%	
Bank	48	6	11	65	6	5	18	29	94
	3.00%	0.38%	0.69%	2.75%	0.79%	0.66%	2.37%	1.23%	
Financing	32	6	24	62	9	3	3	15	77
	2.00%	0.38%	1.50%	2.63%	1.18%	0.39%	0.39%	0.64%	
Computer	18	8	31	57	7	2	1	10	67
	1.13%	0.50%	1.94%	2.42%	0.92%	0.26%	0.13%	0.42%	
Insurance	20	1	2	23	16	2	0	18	41
	1.25%	0.06%	0.13%	0.97%	2.11%	0.26%	0.00%	0.76%	
Investment	14	1	0	15	5	4	2	11	26
	0.88%	0.06%	0.00%	0.64%	0.66%	0.53%	0.26%	0.47%	
Toll, airports	73	24	49	146	14	40	3	57	203
	4.56%	1.50%	3.06%	6.19%	1.84%	5.26%	0.39%	2.42%	
Retailing	33	10	22	65	20	15	18	53	118
	2.06%	0.63%	1.38%	2.75%	2.63%	1.97%	2.37%	2.25%	
Construction non-building	33	2	17	52	16	14	1	31	83
	2.06%	0.13%	1.06%	2.20%	2.11%	1.84%	0.13%	1.31%	
Restaurant, hotel & hospitality	23	17	9	49	3	21	0	24	73
	1.44%	1.06%	0.56%	2.08%	0.39%	2.76%	0.00%	1.02%	
Other consumer discretionary	11	13	20	44	1	21	5	27	71
	0.69%	0.81%	1.25%	1.86%	0.13%	2.76%	0.66%	1.14%	
Transportation	28	3	6	37	8	17	0	25	62
	1.75%	0.19%	0.38%	1.57%	1.05%	2.24%	0.00%	1.06%	
Energy	17	4	3	24	9	6	0	15	39
	1.06%	0.25%	0.19%	1.02%	1.18%	0.79%	0.00%	0.64%	
Total				1600				760	2360

Notes: * shows a percentage from 1600; ** shows a percentage from 2360; *** shows a percentage from 760.

Non-specific photos shown on annual reports is an unreal photo, but it is effectively used for impression management to stakeholders (Stanton & Stanton, 2002). Non-specific photos are more able to be used to create a good image for the company (Arora & Lodhia, 2017; Bowen & Correa, 2014), so it can affect the emotions of stakeholders (Zarzycka, 2014; Zarzycka & Kleppe, 2013). In this study, non-specific photos are widely used to express human capital in advertising, printing and media companies, and trading and distribution companies. This shows that advertising, printing and media

companies, and trading and distribution companies in Indonesia influence stakeholders with the good image displayed through its human capital.

Figure 2c shows the purpose of visual rhetoric through the repetition of people demonstrated in different photos. Photo repetition is done to emphasize the good image that has been created, thereby strengthening the message acceptance and impact the emotion of stakeholders (Ramo, 2011). Figure 2c also shows the physical, interpersonal, and spatial codes. The physical code that can be seen from the photos is young employees, around 22 to 30 years old, consisting of men and women. Young age is identical with enthusiasm, creativity, innovation, and has a high curiosity. This reflects how PT Graha Layar Prima Tbk provides services to customers. PT Graha Layar Prima Tbk always rejuvenates itself following the times. Hence as an entertainment company, it is more able to provide new information and knowledge that attract customers.

If it is seen through the physical code of clothing, employees are exposed to various yet matching clothes with black, brown, and white colors. The clothes worn by employees are not excessively formal, but it is still neat. The interpersonal code that stands out from the photos is the communication skills of the employees. Employee photos are often displayed in groups. Group portraits can be a form of deliberate construction by companies to display social relationships between individuals so that emotional intelligence is often revealed (Davison, 2010). Figure 2c shows the intimacy, cohesiveness, cooperation, and good coordination of the various divisions shown in different uniforms. The spatial codes used in Figure 2c are some of the facilities offered to customers.

4. Conclusions

This study aims to determine the disclosure of IC through photos on annual reports service companies listed on the IDX and find the purpose of the disclosure. The results in this study show several important findings. First, IC is primarily disclosed by service companies with high-IC intensive compared to low IC intensive companies. Second, human capital is the most frequently disclosed IC component. The human capital that is frequently displayed on annual reports is a figure of leader that indicates a more assertive narcissistic personality than employees. Leaders need acknowledgment of their existence, abilities, and achievements from their fellow stakeholders. Leaders always try to be visible and stand out from the crowd. In addition, photos of leaders can be used by the company for impression management. The photos of leaders represent a company's human capital, so this can later affect stakeholders in making decisions. Third, the study results also show that the glass ceiling phenomena still exist in service companies in Indonesia. Women are most shown as employees, while men are as leaders. This represents obstacles for women to occupy higher positions. Fourth, the comparison of specific and non-specific photos usage reveals that property and real estate and telecommunication service companies tend to use specific photos for promotion by displaying company products. In contrast, advertising, printing, and media companies as well as trade and distribution companies tend to use non-specific photos that display a lot about human capital. This shows that there is an impression management carried out by the company to legitimize and build the image of the company.

This study contributes by providing an analysis of photographs depicting the IC of a company in annual reports, which have been largely ignored in prior accounting studies. This study has implications for stakeholders not to underestimate information in the form of photos, especially for companies with high-IC intensive, which reveals a lot of IC through photos. In addition, the results of this study can be a consideration for companies to disclose the company's IC as a consideration for decision making by the stakeholders. The study results can also be considered by stakeholders to be more selective in receiving IC information in the form of photos, as well as consideration for companies to provide equal opportunities for women to become company leaders.

This study used the content analysis method by categorizing photos based on the IC component types. However, this study can be developed by considering the visual rhetoric through photo repetition on annual reports, like the one that has been developed by Davison (2008) to determine more about the intention of the IC disclosures of a company. Therefore, further study is expected to complement the limitations of this study.

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