Quest Journals
Journal of Research in Business and Management
Volume 10 ~ Issue 11 (2022) pp: 121-128
ISSN(Online):2347-3002
www.questjournals.org

Research Paper

Influence of Independent Commisioners, Sales Growth, Profitability, and Leverage on Earnings Management

FitrahAstari[1], GagaringPagalung[2], SyarifuddinRasyid[3]
(Faculty of Economics and Business)
(Hasanuddin University)

ABSTRACT: *Earnings management is a management action in the process of compiling financial reporting so that it can increase or decrease accounting profit according to its interests. The purpose of this study was to determine the effect of independent commissioners, sales growth, profitability, and leverage on earnings management in pharmaceutical companies listed on the Indonesian stock exchange in 2017-2019. This study used 11 companies selected using the purposive sampling method with a total of 33 observations. for 3 years. This research is descriptive statistical research. The results of this study indicate that independent commissioners have a negative effect on earnings management, sales growth has no effect on earnings management, profitability has a negative effect on earnings management,*
KEYWORDS*: Earnings Management, Independent Commissioner, Sales Growth, Profitability, Leverage*

R*eceived 06 Nov., 2022;* ***R****evised 18 Nov., 2022;* ***A****ccepted 20 Nov., 2022* *© The author(s) 2022.*
P*ublished with open access at* ***www.questjournals.org***

I. INTRODUCTION

The company's financial statements are one source of information that can show the conditions and circumstances of the company that will influence decision making. The recording of transactions is carried out by the company's management in carrying out all types of recording transactions that occur. The management also has responsibility for the work and reports of recorded transactions, which will also be provided to parties who are entitled and have a need regarding the company's financial statements. In the financial statements, there is information that can be used as a reference to be used as a source. This can be in the form of the company's economic sources, then regarding data that can be used as a reference regarding financial data and profits obtained by the company during its operations and activities. Furthermore, it is a source of information for companies to be able to see opportunities that will be profitable for the company. As complementary information whether or not there is a change in the assets and liabilities of the company. Finally, data and complementary sources are needed for the company. The available financial statements of a company regarding detailed revenues, expenses, gains, and losses within a certain period can be interpreted as an operating income statement (Subramanyan and John, 2010).

Earnings management is a management action in the process of compiling financial reporting so that it can increase or decrease accounting profit according to its interests (Scott, 2001). The purpose of earnings management is to please investors. Investors like a stable profit level, so management lowers their profits so that the company's profit level does not fluctuate too much (Zuhriya, 2010).et.al., 2015). Earnings management is carried out by a manager or financial statement preparer because they expect a benefit from the actions taken. Earnings management can provide an overview of the behavior of managers in reporting business activities in a certain period, namely the possibility of certain motivations that encourage them to manipulate financial data. One of the motivations is to meet the expectations of the company's external parties, such as investors and creditors. These external parties have an interest in the company's financial performance, and they want the company to continue to operate with good results. (Herry, 2014)

The phenomenon of the practice of earnings management has occurred in PT. Lippo Bank has two versions of the financial statements issued to the public. PT. Bank Lippo informed the mass media that it made a profit of Rp 98 billion. In addition to these reports, PT. Bank Lippo also reported to the IDX that it even showed a loss of IDR 1.3 trillion (Pratiwi and Damayanthi, 2017). Likewise, in 2004, PT. Ades Alfindo Putrasetia Tbk (now PT. Akasha Wira International Tbk) also detected a case of earnings management. At that time there was new management and he discovered that there had been sales errors reported from 2001-2004. Since 2001, the entity has continuously stated sales figures that are higher thanreality (Pratiwi and Damayanthi, 2017).

In 2001, one of the pharmaceutical companies in Indonesia was reported to have manipulated the company's actual profits by increasing profits in financial statements published to the public, the pharmaceutical company was PT. Kimia Farma (Persero) Tbk (Sulistyanto, 2008). PT. Kimia Farma (Persero) Tbk published an income statement showing a profit figure of Rp 132 billion. However, in reality, the profit earned is only Rp. 99 billion (Pratiwi and Damayanthi, 2016). Another pharmaceutical company that performs earnings management, namely PT. Indofarma Tbk which increases the value of goods are still being processed in the 2004 annual statement of financial position. PT. Indofarma Tbk increasing the value of the ending inventory of goods still being processed will have the effect of reducing the cost of goods sold and the effect of increasing net income which in fact does not exist. In the end the net profit of PT. Indofarma Tbk increased by Rp. 28 billion (Sunarni, 2013). The occurrence of this case was caused by a lack of internal control caused by the absence of an audit committee in supervising the reporting of PT. Indofarma Tbk ("Bapepam Fines Former Directors of Indofarma Rp 500 Million," 2004).

Of the many cases that have occurred, companies increase profits significantly to show their good performance in front of shareholders and cover up the actual conditions that occur in the company. Earnings management actions can be influenced by various factors. Previous research found several factors that can influence earnings management actions, including profitability, company size, sales growth, managerial ownership,leverage, commissionerindependentand audit quality.

II. LITERATURE REVIEW

Agency Theory

Agency theoryis an agency relationship is a contract betweenprincipalandagent, where agentis the party that carries out the company's activities,principalare shareholder of an entity that authorize the agentto carry out company activities and provide resources and facilities for company activities (Jensen and Meckling, 1976). Management is a party contracted by shareholders to work in the interests of shareholders. This requires management to be accountable for all their work to shareholders. The relationship between the two can lead to a conflict due to differences in interests. Shareholders want a large return on stock investment in a short time, while managers want high rewards for their performance (Zulaikha, 2019).

Signalingtheory

Signal theory (signaling theory) originated from the writings of George A. Akerlof in his 1970 work " The Market for Lemons", which introduced the term asymmetric information (information asymmetry). Akerlof (1970) studied the phenomenon of the imbalance of information about product quality between buyers and sellers by testing the used car market (used car). From his research, Akerlof found that when buyers do not have information related to product specifications and only have a general perception of the product, then the buyer will judge all products at the same price, both high-quality and low-quality products to the detriment of sellers of high-quality products. . The condition in which one of the other parties (buyers) is calledadverse selection(Scott, 2009). According to Akerlof (1970)adverse selectioncan be reduced if sellers communicate their products by giving signals in the form of information about the quality of the products they have.

Earnings management

Earnings management is one of the factors that can reduce the credibility of financial statements.Earnings management adds to the bias in financial statements and can interfere with users of financial statements who believe that the engineered profit figure is an unengineered profit figure (Gustina and Bulutoding, 2017). According to Schipper (2013) earnings management is a condition where management intervenes in the process of preparing financial statements for external parties so that it can increase, level, and reduce profits. Earnings management is one of the factors that can reduce the credibility of financial statements, increase bias in financial statements, and can interfere with users of financial statements who believe in the engineered numbers as numbers. realtor without engineering. Meanwhile, Scott (2015) says that earnings management is an act of managers reporting earnings that maximize personal or company profits by using accounting policies. Thus, earnings management is an effort made by management to get profits according to what management wants to maximize personal profits within the limits allowed by generally accepted accounting principles.

Independent Commissioner

Independent commissioners are members of the board of commissioners who are not affiliated with management, other members of the board of commissioners and controlling shareholders, and are free from business orother relationships that may affect its ability to act independently or solely in the interests of the company (Ujiyantho and Pramuka, 2007). The independent board of commissioners is regulated in decree No:

Kep-339/BEJ/07-2001 which states that every public company must establish an independent commission whose members are at least 30% of the total board of commissioners.

Sales Growth

Companies that have high profit and sales growth rates tend to use debt as a larger source of external funds when compared to companies with low sales growth. Companies with sales that tend to increase will require greater funds to increase their operational activities which may not be fulfilled through internal funding sources, so the company needs funds from external parties. With sales growth, it will provide a signal for creditors to provide credit or provide loans to the company. In addition, companies with high sales growth also have the motivation to carry out earnings management to maintain earningstrendsales andtrendprofits in the company (Yunietha and Palupi, 2017).

Profitability

Profitability is the level of net profit that has been obtained by the company in carrying out its operations (Astuti, 2017). When the profit generated by the company in a period is very high, there is a possibility of a decrease in profit in the next period (Yaulhusna, 2015). Thus the manager manages his earnings so that it is not too high, so that excess profits that are not reported by the company are presented to the income statement in the next period.

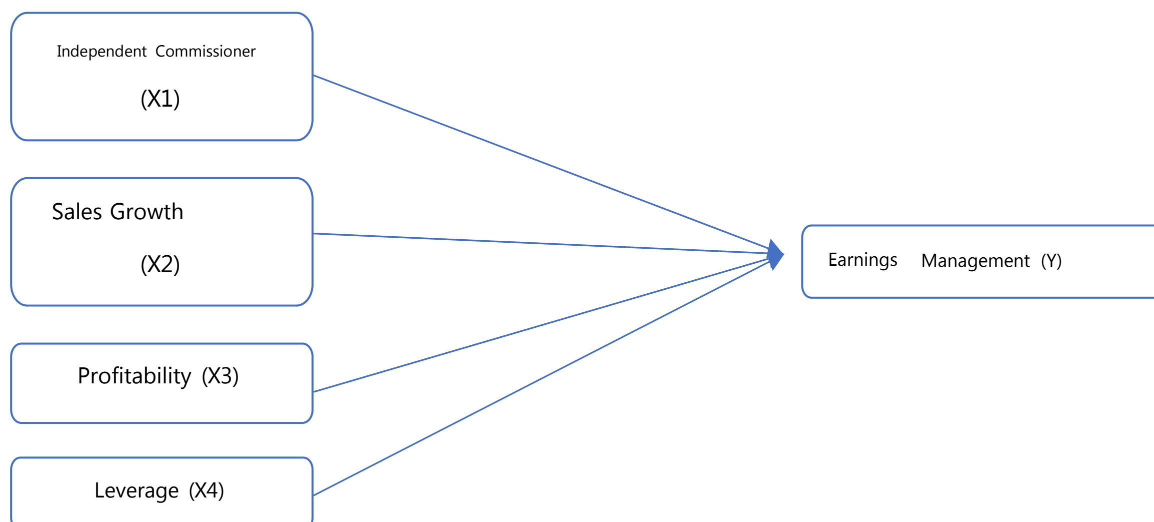
Profitability ratio is a ratio that aims to determine the company's ability to generate profits during a certain period and provide an overview of the level of management effectiveness in carrying out its operations, management effectiveness is seen from the profit generated on sales and company investment. This ratio is also known as the profitability ratio (Muchisin Riadi, 2015).

Leverage

Leverageis debt used by the company to finance its assets to carry out its operational activities (Gunawanet. Al2015). This study uses the DER ratio in identifying earnings management to analyze the ratioleverage.If a company goes bankrupt, the capital is the first to be used to pay off all the company's debts, so the more capital the company has, the better in the eyes of investors. Conversely, if the company's debt is more, it will look bad in the eyes of investors, to avoid this the use of debt will be carried out in profit management for companies that have a lot of debt. Ratioleveragecalculated using indicatorsDebt Equity Ratio(DER).

III. CONCEPTUAL FRAMEWORK AND HYPOTHESES

Based on the description previously described regarding the influence of independent commissioners,sales growth, profitability, and leverage on earnings management so that the conceptual series in this study are described below:



Hypothesis

H1: Independent Commissioner has a negative effect on earningsmanagement.
H2: Sales growth has a positive effect on earnings management.
H3: profitability has a positive effect on earnings management.
H4:Leverage has anegative effect on earnings management

IV. RESEARCH METHODOLOGY

Population, Sample and Sampling Technique

The population in this study are companies listed on the Indonesia Stock Exchange (IDX) during the period 2017 to 2019 in the pharmaceutical sector. The total population is 11 companies. The sample in this study used purposive samplingnamely the technique of determining the sample with certain considerations according to Sugiyono (2017: 85).

The criteria for the companies that are sampled in this study are as follows:

1. Companies that issue financial statements in a row from 2017-2019.
2. The company provides data related to the variables needed in the research.
3. The company presents financial statements in rupiah currency

Data Types and Sources

This research design includes a type of quantitative approach. The quantitative approach method is a research method based on philosophypositivism, used to examine certain populations or samples, and data collection using research instruments, data analysis is quantitative or statistical in nature to test established hypotheses (Sugiyono, 2017:8).

Research Variables and Operational Definitions

Dependent Variable

According to Sugiyono (2007), "The dependent variable is a variable that is influenced or due to the presence of independent variables". The dependent variable in this study is earnings management as measured by proxy discretionary accruals. It is a record that makes the accrual component appear easy to manipulate, and this model is used because it is considered the best model for detecting earnings management (Sulistyanto, 2008). Earnings management (DAC) can be measured through discretionary accruals which are calculated by differentiating total accruals (TAC) and nondiscretionary accruals (NDA). The calculation model is as follows:

1. Total Accruals using the modified Jones model.

TAC = NIit – Cfit Description:

TAC = Total accruals of company i in year t NI it= Operating profit i in year t

CFit= operating cash flow of company i in year t

2. TotalAccrualsTAC) is calculated using the regression equationlinearsimple orOrdinary Least Square (OLS) as follows

TACt /TAt−1= (β)1 (1/TAt−1)+ (β)2 (Δ REVt/TAt−1) + (β)3 (PPEt/TAt−1) + e Description:

TACt = total accruals in period t

TAt−1 = total assets in period t-1

(Δ)REVt = change in income in period t

PPEt = property, plan, and equipment in period t

(β)1, (β)2, (β)3 = regression coefficient

e = error term (Error)

3. Non-Discretionary Accruals(NDA)

NDTACt = (β)1 (1/TAt−1) + (β)2 [(ΔREVt ΔRECt)/TAt−1] + (β)3 (PPEt/TAt−1) + e Description:

NDAt =Non-Discretionary Accrual

TAt -1 = Total assets of the company in year t – 1

REVt = Difference in year t's revenue with year t's income – 1

REC t = Receivables of year t minus receivables t – 1

PPE t = Total fixed

assets = Regression coefficient

4. After getting the value ofNon-Discretionary Accruals(NDA), nextDiscretionary Accruals(DA) is calculated by the formula:

DTACt = TACt/TAt−1 – NDTACt Description:

DACt =Discretionary Accrual

TACt = Total accruals

TAt -1 = Total assets of the company in year t – 1

NDAt = Non Discretionary Accrual

Independent Variable

The independent variables in this study are as follows:

Independent Commissioner

Independent commissioners are members of the board of commissioners who are not affiliated with management, directors, other members of the board of commissioners and controlling shareholders and are free from business relationships and relationships with others that may affect their ability to act independently.

$$KI = \frac{total\ independent\ commisioners}{\text{total board of commisioners}}$$

Sales Growth

Sales growth rate shows the rate of change in sales from year to year. The higher the sales growth rate, the company will rely on external capital.

$$SG = \frac{current\ year\ sale - previous\ years\ sale}{previous\ years\ sale}$$

Profitability

Profitability shows the company's ability to generate profits. The greater it is profitability means getting better, because the prosperity of the owner of the company increases with greater the profitability

$$ROA = \frac{Net\ profit}{Total\ Asset}$$

Leverage

Leverageis the ratio used by a company to measure the extent to which the company's assets have been financed by the use of debt.

$$DER = \frac{Total\ debt}{Total\ asset}$$

V. RESEARCH RESULTS

Individual Parameter Significant Test (Test Statistical T)

Coefficients (a)

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std.Error	Beta		
1 (Constant)	0.077	0.040		1.909	0.67
KI	-0.192	0.088	-0.343	-2.156	0.039
PP	-0.033	0.065	-0.085	-0.515	0.610
ROA	0.053	0.022	0.398	2.364	0.025
DER	-0.025	0.011	-0.380	-2.274	0.031

DA = 0.077 + (-0.192))+ 0.053 + (-0.025) + e

The regression equation above can be seen that the coefficient numbers show as follows:

1. Independent commissioner variable (X_1) has a t count of -2.165 and has a significance level of 0.039. These results indicate that the independent commissioner has a negative effect on earnings management so that the first hypothesis (H1) which states that the independent commissioner has a negative effect on earnings management,**received.**
2. Sales growth variable (X2) has a t count of -0.515 and has a significance level of 0.610. These results indicate that sales growth has a negative effect on earnings management. Thus the second hypothesis (H2) which states that sales growth has a positive effect on earnings management, **rejected.**
3. Profitability variable (X3) has a t count of 2,364 and has a high level of significance of 0.025. This shows that profitability has a positive influence on earnings management. Thus the third hypothesis (H3) which states that sales growth has a positive effect on earnings management, **received.**
4. Variable leverage (X_4) has a t count of -2.274 and has a high level of significance of 0.031. This shows that leverage has a negative effect on earnings management. Thus the third hypothesis (H3) which states that leverage has a negative effect on earnings management,**received.**

Simultaneous Significant Test (Statistic F Test)
F ANOVA test (b)

Model	Sum of Squares	df	mean Square	F	Sig
1 Regression	0.061	4	0.015	4.765	0.005b
Residual	0.089	28	0.003		
Total	0.150	32			

Source: Results of data processing with SPSS ver. 26 (2022)

The results of these tests can be concluded that the value of sig. 0.005 < 0.05 of the data means the hypothesis is accepted which means that simultaneously independent commissioners, sales growth, profitability and leverage affect earnings management.

VI. DISCUSSION

Independent Commissioner Negative Influence on Earnings Management

The results of hypothesis testing show that the proposed hypothesis 1 is accepted. Thus the hypothesis which states that independent commissioners have a negative effect on earnings management. The reason for this could be because many companies appoint independent commissioners as a form of fulfilling obligations under the regulations set by the stock exchange, namely that registered companies must have commissioners.

independent. Meanwhile, the fact is that many independent commissioners do not have the ability and carry out their independence properly. The reason underlying the research results is that independent parties have no ties or interests to management, so they are free from pressure and managerial intervention. The more independent parties in the commissioners, the more quality the supervisory process will be in line with the many demands of independent parties who want transparency.

This is in accordance with Agency Theory, where this theory explains the conflict of interest between the manager and the owner of the company. Where the independent board of commissioners is responsible and authorized to oversee the actions of the Board of Directors, by providing advice to the Board of Directors if deemed necessary by the Board of Commissioners, supervising and protecting parties outside the company's management, mediating in disputes between internal managers and supervising management policies and providing advice to company management. With the existence of independent commissioners in the company who work optimally, it can reduce earnings management practices carried out by company management.

This is supported by research conducted by Robert Jao and G. Pagalung (2011) which states that independent commissioners have a negative and significant effect on earnings management. The results of this study are also in line with Vajriyanti, et al (2016) which states that the existence of an audit committee has no significant effect on earnings management actions because the company only forms audit memberships to meet the regulations and is not an expert in their field so they are not professional in their work.

Sales Growth Positively Affects Earnings Management

The results of hypothesis testing indicate that the proposed hypothesis 2 is rejected. because sales growth has no significant effect on earnings management. It is assumed that the declining profit will have an impact on the payment of administrative and operational costs of the company which also decreases. Thus, the manager is motivated to carry out earnings management with the aim that the company's performance looks good and healthy, thus attracting investors in terms of investing, the higher the manager's intention to carry out earnings management.

These results are in line with research conducted by Bayu Lisyawan (2017) and Destiana (2020) which state that sales growth has a negative effect on earnings management. The lower the value of sales growth, the higher the manager's intention to do earnings management.

Profitability Has A Positive Effect On Earnings Management

The results of hypothesis testing show that proposed hypothesis 3 is accepted. This shows that if profitability has a positive effect, the level of earnings management in the company increases. So return on assets (ROA) can be used to detect earnings management activities. Profitability is the company's ability to generate profits. Profit is often a measure of company performance, where when a company has high profits it means that it can be concluded that the company's performance is good and vice versa, if the company is experiencing poor or good performance, it will still trigger managers to act opportunistically by increasing profits or decreasing accounting profits. according to the company's performance conditions.

The results of this study also support agency theory, namely return on assets (ROA) is something that is often seen by investors before investing in the company because it reflects the profit generated from the company's assets. This is to attract investors' interest as well as to make the company's performance look good, so managers will be encouraged to use return on assets (ROA) by doing earnings management.

The results of this study support previous research conducted (Noviyanti, 2014).The research shows that profitability has a significant positive effect on earnings management, meaning that the positive sign is the higher the profitability, the higher the earnings management, and vice versa, the lower the profitability, the lower the earnings management.

LeverageNegative Effect On Earnings Management

The results of hypothesis testing indicate that the proposed hypothesis 4 is accepted. These results are in accordance with the research hypothesis stating that Leverage has a significant and significant effect on Earnings Management. That leverage is one of the factors that influence earnings management practices because earnings management is related to external sources of funds, especially debt used to finance the company's future operations. With the results of this study,

This result is in accordance with the signal theory where the level of debt to equity ratio will be a signal used by investors or creditors for decision making in providing loans to companies. Leverage can be a signal to describe the company's ability topay off long-term or short-term debts. Creditors see leverage as a level of security or level of ability to repay borrowed funds if the company is liquidated. If a company has a high level of leverage, management may violate the debt agreement so that the company has a greater obligation in public disclosure (Hasty & Herawaty, 2017).

VII. CONCLUSION

1. Independent commissioners have a negative effect on earnings management
2. Sales growth has no effect on earnings management
3. Profitability has a positive effect on earnings management
4. Leverage has a negative effect on earnings management

BIBLIOGRAPHY

[1]. Afrianto, D. 2016. Timah's Board of Directors Accused of Manipulating Financial Statements.Education Finance (On line) (https://economy.okezone.com/read/2016/01/27/278/1298264/direksi- tin-accused-manipulation-financial-reports, accessed February 16, 2021)

[2]. Agnes Utari Widyaningdyah. 2001. Analysis of Factors Influencing Management Earnings on Go Public Companies in Indonesia. Journal of Accounting & Finance Vol. 3, (2), 89 – 101.

[3]. Agustia, D. 2013. The Effect of Good Corporate Governance Free cash flow and Leverage on Earnings Management. Journal of Accounting and Finance 15(1): 27-42.

[4]. Thank you, Praise. 2014. "Factors Affecting Earnings Management Practices (Case Study: Manufacturing Companies Listed on the Stock Exchange)". TEKUN Journal. Vol V, No. 02, September: 191-201.

[5]. Astari, AAM R and IK Suryanawa. 2017. Factors Affecting Earnings Management. Udayana University Accounting E-Journal, 20(1).

[6]. Astuti, Pipit Widhi. 2017. The effect of profitability, firm size, leverage, and audit quality on earnings management. Journal of Accounting & Finance

[7]. Azlina, Nur. 2009. Analysis of Factors Affecting Earnings Management (Study of Companies Listed on the IDX). Pekbis Journal, Vol.2, No.3, November 2010: 355-363.

[8]. Brigham, EF, and Houston, JF, 2017. Fundamentals of Financial Management. First Book. Eleventh Edition. Salemba Four. Jakarta

[9]. Dechow, PM, Sloan, RG, and Sweeney, AP 1996. Causes and Consequences Of Earnings Manipulaton: An Analysis of Firms Subject to Enforcement Actions by the SEC. Contemporary Accounting Research. 13.1:1-36.

[10]. Destiana, S., Luhgiatno, and Widaryanti. 2017. Analysis of the Effect of Sales Growth, Leverage, Profitability and Deferred Tax Expense on Earnings Management in Manufacturing Companies for the 2016-2017 Period. Unimus National Seminar Proceedings,3, 1148–1156.

[11]. Eisenhardt, KM 1989. Agency Theory: An Assessment and Review. Academy of Management Review, 14(1), 57-74.

[12]. Fauzia, M. 2019. Revised 2017 Financial Report, Garuda Indonesia Loss Rp 2.45 Trillion. Picked February 20, 2020, from Kompas.com: https://money.kompas.com/read/2019/07/26/111246526/laporanfinance-2017-direvisi-garuda-indonesia-rugi-rp-245-triliun?page =all

[13]. Ghozali, I. 2016. Application of Multivariate Analysis with the IBM SPSS 23 Program (8th Edition). VIII Printing. Semarang: Diponegoro University Publishing Agency

[14]. Guna, WI, and A. Herawaty. 2010. The Effect of Good Corporate Governance Mechanisms, Auditor Independence, Audit Quality and Other Factors on Earnings Management. Journal of Business and Accounting 12(1):53-68.

[15]. Gunawan, I. Ketut, Nyoman Ari Surya Darmawan, and I. Gusti Ayu Purnamawati. 2015. "The Effect of Firm Size, Profitability, and Leverage on Earnings Management."Journal of Accounting S1 Program Ganesha University of Education 03(1).

[16]. Gustina and Lince Bulutoding. 2017.The Effect of the Implementation of PSAK 55 (Revised 2011) on Earnings Management with KAP Size as Moderating Variable. Assets, 7 (2). 2017: 201.

[17]. Halim, et al. 2005.The Effect of Earnings Management on the Level of Disclosure of Financial Statements in Manufacturing Companies Included in the LQ-45 Index. Paper presented at the VIII National Accounting Symposium. Solo. 15-16 September 2005.

[18]. Hasty, AD, & Herawaty, V. (2017). Effect of Ownership Structure, Leverage, Profitability and Dividend Policy on Earnings Management With Audit Quality As Moderating Variable. Journal of Media Research in Accounting, Auditing & Information, 17(1), 1-15.
[19]. Harry. (2014). Financial Statement Analysis - Financial Ratio Approach. Yogyakarta: Center for Academic Publishing Service.
[20]. Indonesian Accounting Association. PSAK No. 1 Regarding Financial Statements-Revised Edition 2015. Publisher of the Financial Accounting Standards Board: PT. King of Grafindo
[21]. Indriastuti, Maya .2012. "Analysis of Auditor Quality and Corporate Governance on Earnings Management"Existence (ISSN 2085-2401).Vol. IV, No. 2, August 2012.
[22]. Jao, Robert, Pagalung, Gagaring. 2011."Corporate Governance, Company Size, and Leverage on Earnings Management in Indonesian Manufacturing CompaniesJournal of Accounting & Auditing Vol. 8 No. 1, 2011.
[23]. Jensen. Michael C. and William H. Meckling. 1976.Theory Of The Firm: Behavior Management, Agency Cost And Ownership Structure.http://papers.ssrn.com/abstract=94043
[24]. Kim, Yangseon., Caixing Liu and S. Ghon Rhee. 2003.The Effect of Size on Earnings Management. Social Science Research Network Electronic Paper Collection.
[25]. Mahfoedz, Mas'ud.Financial Ratio Analysis and The Prediction of Earning Chages in Indonesia. Yogyakarta: Gajahmada University Business Review, No. 7/III. 1994
[26]. Moses, Douglas O, 1997,Income Smoothing and Incentives: Empirical Using Accounting Changes.The Accounting Review, Vol. LXII, No. 2, April, pp. 259-377.
[27]. Ningsih, S. (2019). Earning Management Through Real Activities And Accruals. 16(1), 55–66.
[28]. Pratiwi, PR, and Damayanti, IP (2017). Analysis of the Financial Performance of Multinational Companies Before and After the Acquisition (Study of Multinational Companies Acquirers in BEI). E-Journal of Unud Management, 235-263.
[29]. Rahmani, Samira and Akbari, Mir Askari . 2013. Impact of Firm Size and Capital Structure on Earnings Management: Evidence from Iran. World of Science Journal. ISSN: 2307-3071.
[30]. Sari, AAIP, and Putri, IGAM Asri Dwija 2014.The Effect of Corporate Governance Mechanisms on Earnings Management. Journal of Accounting Udayana University, 81(1), 2302–8556.
[31]. Schipper, K. 1989.Earnings Management. Accounting Horizons3, 91-106.
[32]. Scott, W. 2015.Financial Accounting Theory. Seventh Edition. Toronto.: Pearson Education Limited.
[33]. Siregar, Nolita Yeni. 2017.Analysis of the Effect of Company Size and Corporate Governance Mechanisms on Earning Management. Journal of Accounting, 3 (2). 2017: 54
[34]. Spence, M., 1973. Job market signaling. Quarterly Journal of Economics, 87: 355- 374 [35] Sugiyono. 2017."Quantitative, Qualitative, and R&D Research Methods".Bandung. Alphabeta,Cv.
[35]. Sulistiawan, D., Januarsi, Y., & Alvia, L. (2011). Creative accounting: Revealing Earnings Management and Accounting Scandals. Jakarta: Four Salemba.
[36]. Sulistyanto, H. Sri. 2008. Earnings Management, Theory and Empirical Models. Jakarta: Grasindo
[37]. Ujiyantho, A., and Scouts, BA (2007). Mechanisms of Corporate Governance, Earnings Management and Financial Performance (Study on Go Public Companies in Manufacturing Sector). Journal of the National Symposium on Accounting X, 10(6), 1-26.
[38]. Ulfah, Finna U. 2021. So Investors' Choice This Year, How Will the Fate of Pharmaceutical Sector Stocks in 2021?.
[39]. https://market.bisnis.com/read/20201230/7/1337083/jadi-elektroan-investortahun-ini-how-nasibsaham-sectorpharmacy-pada-2021. Retrieved on:26 May 2021.
[40]. Van Home, James C and John M. Wachowicz. Financial Management Principles. Book Two. Twelfth Edition. Jakarta: Four Salemba. 2007
[41]. Veronica, Sylvia and Bachtiar, Yanivi S. 2003. The relationship of earnings management with the level of disclosure of financial statements. National Accounting Symposium VI. Surabaya.
[42]. Wahyudi, D. Empirical Analysis of the Effect of Corporate Social Responsibility (CSR) Activities on Tax Avoidance in Indonesia. Proceedings of the 2nd National Annual Scientific Meeting (PIT) of the Indonesian Widyaiswara Association (IWI) Banten Province Pandeglang. 2015
[43]. Wardani, Dewi Kusuma., and Kusuma, Indra Wijaya. 2017. The Effect of Tax Planning, Company Size, Corporate Social Responsibility (CSR) on Earnings Management. Journal of Accounting Vol. 6 No. June 1 2017 [44] Weston, JF and Copeland. 2008. Fundamentals of Financial Management. Jakarta : Erlangga.
[44]. Widyaningdyah, Agnes Utari. 2001. Analysis of Factors Influencing Management Earnings in Go Public Companies in Indonesia, Journal of Accounting & Finance, November Vol. 3 No. 2
[45]. Wirakusuma, DK (2016). Effect of Tax Planning, Managerial Ownership and Firm Size on Earnings Management Practices. Udayana University Accounting E-Journal.
[46]. Wirawati, NGP, Putri, IGAMAD, and Wirasedana, IWP (2017). The Effect of Dividend, Compensation, and Leverage Policy on Earnings Management in Manufacturing Companies.KRISNA Journal: Accounting Research Collection,10(1), 32–40. https://doi.org/DOI: http://dx.doi.org/10.22225/kr.10.1.709.32-40
[47]. Wulandari, Rahmita.2013. "Analysis of the Effect of Good Corporate Governance and Leverage on Earnings Management (Study on Non-Financial Companies listed on the IDX in 2008-2011)." Semarang: Diponegoro University.
[48]. Yunietha, and Agustin Palupi. The Influence of Corporate Governance and Other Factors on Earnings Management. Trisakti College of Economics. 2017.
[49]. Zakia, V., and Nurdiana. 2019. The Effect of Managerial Ownership, Institutional Ownership, Company Size, Leverage, Sales Growth, on Earnings Management with Good Corporate Governance as Moderating Variable. Journal of Business and Accounting
[50]. Zuhriya, Shahidatus, and Wahidahwati. (2015). Income Smoothing and Factors Affecting Manufacturing Companies on the IDX.Journal of Accounting Science & Research Vol.4.no 7.
[51]. Zulaikha, SA, 2019. The Effect of Deferred Tax Assets, Concentration of Ownership and Company Size on Earnings Management. Diponegoro Journal Of Accounting, Volume 8.