

## Effect of Good Corporate Governance, Accounting Conservatism And Size of Company Earnings Management With Managerial Ownership As In Developing Countries Moderating Variables Asean (Indonesia, Malaysia And Thailand) Period 2015-2019

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### ABSTRACT

The study was conducted on 40 manufacturing companies listed on the Stock Exchange (Indonesia, Malaysia and Thailand) for the 2015-2019 period. The research objective was to determine the effect of good corporate governance, accounting conservatism and firm size on earnings management with managerial ownership as a moderating variable.

The results of this study indicate that good corporate governance has no significant effect on earnings management, accounting conservatism has a significant effect on earnings management, firm size has a significant effect on earnings management, managerial ownership cannot moderate between good corporate governance and earnings management, managerial ownership cannot moderate conservatism. Accounting for Earnings Management, Managerial Ownership can moderate the size of the company to earnings management in Indonesia, Malaysia and Thailand. Earnings management is a manager's effort in their financial statements where actions are taken by company management with the aim of increasing or decreasing the company's profits in the financial statements.

**Keywords:** *Good Corporate Governance, Accounting Conservatism, Company Size, Earnings Management, Managerial Ownership*

### ARTICLE INFO

Article history:

Received  
February 01, 2022  
Revised  
June 15, 2022  
Accepted  
July, 21 2022

How to cite

A. Andriani, H. Hamidah, and H. Wiralaga, "Effect of Good Corporate Governance, Accounting Conservatism And Size of Company Earnings Management With Managerial Ownership As In Developing Countries Moderating Variables Asean (Indonesia, Malaysia And Thailand) Period 2015-2019", *IJoASER*, vol. 5, no. 2, pp. 104-117

<https://doi.org/10.33648/ijoaser.v5i2.223>

Journal Homepage

<https://ojs.staialfurqan.ac.id/IJoASER/>

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## INTRODUCTION

Global can occur because of the contribution economic activities of economic activities that occur in all countries. Developed countries are one of the countries that always dominate the global economy, but currently developing countries have also shown their contribution and existence to the global economy. It can be seen in Cekindo (2019) where there are five countries in the sector manufacturing that have contributed more than 20% to the country's GDP including China (28.8%), South Korea (27%), Japan (21%), Germany (20.6%) and Indonesia. ASEAN is a geopolitical and economic organization consisting of countries in the developing Southeast Asia region where developing countries have now become contributors to the improvement of the global economy. The form of ASEAN's contribution to the global economy can

be seen in the increase in corporate profits from manufacturing sector companies in ASEAN. Based on data from Cekindo (2019) in 2015, the manufacturing sector in Indonesia grew 5.04% and passed the national economic growth rate of 4.79%. According to data obtained at the Ministry of Industry (2019) in 2018, the industry food and beverage developed by 7.91% or exceeding growth the national economic which is located at 5.17%. Increase in manufacturing. Indonesia's in March 2019 was ranked 4th or was able to surpass the achievements of Thailand (50.3), Singapore (47.9), and Malaysia (47.2).

Financial statements can be said to be a record of financial information on a company in an accounting period and can be used to describe the company's performance. One of the objectives of financial reporting is to provide information that shows the company's performance in generating profits. The income statement is often used as the basis for assessing company performance, in any performance relationship. Therefore management is motivated to show good performance in producing value maximum profit information for the company and management will do everything they can and prefer accounting methods that can show better company earnings information. The practice of accounting irregularities is one of the collapse of the country's economy, in Indonesia, cases of accounting fraud that are so familiar include the case of PT. Indofarma, Tbk, PT Kimia Farma, Tbk, PT Timah (Persero), PT. Garuda Indonesia (Persero) and Toshiba Corp. Japan.

The case that occurs shows that earnings management is detrimental to various parties, the disclosed earnings information tends to be exaggerated, so that the information is not relevant to be used as a decision. Therefore, research on earnings management is conducted to determine what factors influence earnings management. There are several factors that are considered to influence earnings management, if seen from previous research, several factors influence earnings management including, Good Corporate Governance (GCG), accounting conservatism, managerial ownership, dividend policy, company size, leverage, price earning ratio, price to book value, earning per share.

Vika Fitranita (2019) examines the effect of good corporate governance on accounting conservatism, this study shows that the independent variable is good corporate governance. regression results. Multiple In the analysis shows that the coefficient of determination R Square = 67%, which means that all independent variables can explain the variation in the dependent variable, accounting conservatism is 67%.

Esa Anti Ursula and Vidya Vitta Adhivinna (2018), examined the effect of managerial ownership on firm size, leverage, and growth opportunities on accounting conservatism, the results showed that simultaneous managerial ownership, firm size, leverage, and growth opportunities together have an effect. against accounting conservatism.

Hikmah Is'ada Rahmawati (2013), examined the effect of Good Corporate Governance (GCG) on earnings management in companies banking, the results showed that the independent board of commissioners had a negative effect on earnings management, while audit committee independent and managerial ownership had no effect on management earnings.

Intan Soraya and Puji Harto (2014), examined the effect of accounting conservatism on earnings management with ownership managerial as a moderating variable, the results showed that accounting conservatism significantly affects

management income with a negative trend, managerial ownership is proven to moderate the effect of accounting conservatism on management practice. profit.

Pria Juni Prasetya and Gayatri (2016), examined the effect of size company on earnings management with disclosure of corporate social responsibility as an intervening variable, the results showed that size company had a significant negative effect on earnings management through disclosure of corporate social responsibility.

Rowland Bismark Fernando Pasaribu, Dionysia Kowanda, Esty Dwi Widyastuty (2016), research on the effect of accounting conservatism, managerial ownership, dividend policy, company size, leverage, price earning ratio, price to book value, and earnings per share on earnings management (study on manufacturing issuers on the IDX for the period 2008-2013), this study finds that there is a significant influence on ownership variables managerial, leverage and PER. For accounting conservatism, policy variables dividend, firm size, PBV, and EPS do not have a significant effect on earnings management.

Prabaningrat and Widanaputra (2015) research on the effect of good corporate governance and accounting conservatism on earnings management, the results show that there is a statistically significant influence between good corporate governance and accounting conservatism on management earnings in manufacturing companies listed on the Indonesia Stock Exchange in the period 2009 to 2012.

Setyarso Herlambang Darsono (2015), research on the effect of good corporate governance and company size on earnings management, the results of the study show that board composition and firm size have a significant negative effect on earnings management. This study also shows that board size and audit committee size do not have effect on earnings management (earnings management, good corporate governance, board size, board composition, audit committee size, size firm).

Arthawan & Wirasedana (2018) research on the effect of ownership managerial, debt policy and company size on earnings management, the results show that managerial ownership has a negative and significant effect on earnings management. Debt policy has a negative and significant effect on earnings management. Firm size has a negative and significant effect on earnings management. This research was conducted at non-financial service companies engaged in the fields of Restaurants, Hotels and Tourism, Advertising Printing and Media, and Computer Services and Devices in 2012 - 2015, totaling 32 companies listed on the IDX.

Based on the results of previous research which are still contradicting each other, the authors are interested in conducting a study entitled "**The Effect of Good Corporate Governance, Accounting Conservatism and Company Size on Earnings Management with Managerial Ownership as Moderating Variables in Asean Developing Countries (Indonesia, Malaysia and Thailand) Period 2015-2019**".

## RESEARCH METHODOLOGY

The research method will be carried out by the method quantitative, where this method is based on the philosophy of positivism used to research on certain populations and samples, Sugiono (2016). The correlation approach taken is by using multiple regression models. This study uses secondary data with data from Bloomberg, then supported by data from the Indonesia Stock Exchange (IDX) for Indonesia, the Kuala Lumpur Stock (KLSE, Kuala Lumpur Stock Exchange) for Malaysia and the Thailand Stock Exchange (SET) for Thailand regarding annual financial reports (annual report) which are listed in companies manufacturing. The data selected by the researcher used a time series with an annual time span from 2015-2019. Time series

data are used to observe the values taken for each variable over time. This study applies a non-probability sampling technique, namely purposive sampling technique. Some of the criteria set for obtaining the sample are as follows:

1. Manufacturing companies that are consistently listed on the Stock Exchange during the period study, namely 2015 - 2019.
2. Companies that have consistently published annual reports for 4 (four) years, namely 2015 - 2019.
3. Having complete data concerning the variables used in the study.
4. The company that will be the object of this research has a structure managerial ownership.

## RESULT AND DISCUSSION

### Analysis Description Of Statistics

The population used in this study are all companies manufacturing listed on the Stock Exchange (Indonesia, Malaysia and Thailand) in 2015-2019 which have managerial ownership. The population of companies used in this study were 162 manufacturing companies listed on the Stock Exchange (Indonesia, Malaysia and Thailand) in 2015-2019, but only 40 companies were listed on the Stock Exchange (Indonesia, Malaysia and Thailand) in 2015-2019. which can be used as a sample research.

#### Results of Company Sample Selection

Criteria	Indonesia	Malaysia	Thailand
Manufacturing companies that are consistently listed on the Stock Exchange in 2015-2019	82	38	42
Companies that have consistently published annual reports for 4 (four) years, namely 2015 - 2019	82	38	42
Have complete data concerning the variables used in the study	19	17	4
The company that will be the object of this research has a managerial ownership structure	19	17	4
The number of samples of research companies	<b>19</b>	<b>17</b>	<b>4</b>

In the following table data, it is illustrated that the number of manufacturing companies used as samples is 40 companies where in each country has a different number, namely Indonesia 19, Malaysia 17 and Thailand 4 companies and has a different percentage where Indonesia 47.5%, Malaysia 42.5% and Thailand 10% of the total sample.

#### Data Homogeneity Test Results

Variable	Significance	Information
Good Corporate Governance	0,087	Homogeneous
Accounting Conservatism	0,000	Heterogeneous
Company Size	0,717	Homogeneous
Managerial ownership	0,717	Homogeneous

The statistical tools used include the homogeneity test to see the diversity of data used, using the SPSS software with the test Homogeneity F. The following is a table of the results of the F homogeneity test in developing ASEAN countries (Indonesia, Malaysia and Thailand) in companies for manufacturing the 2015-2019 period, where Sig > 0.05 is homogeneous and if Sig < 0.05 is heterogeneous.

Statistical Data Description

	N	Min	Max	Mean	Std. Dev
<b>Good Corporate Governance</b>	200	33,93	73,21	54,6876	7,21075
<b>Accounting Conservatism</b>	200	-803,21	1130,29	10,9823	210,46700
<b>Company Size</b>	200	,25	7,34	4,8230	1,31168
<b>Earnings Management</b>	200	-1296,89	708,52	-117,0715	250,63792
<b>Managerial Ownership</b>	200	,00	,01	,0006	,00190

Based on the explanation in the table above, it can be seen in the variables of Good Corporate Governance, Accounting Conservatism, Company Size, Earnings Management and Managerial Ownership. It is concluded that:

#### 1. Good Corporate Governance

The maximum value of Good Corporate Governance is 73.21 which is in the Semen Indonesia company in 2019 and the minimum value of Good Corporate Governance is 33.93 which is in the company Tempo Scan Pacific Indonesia in 2015. Where The magnitude of the number of Good Corporate Governance in the company shows that the company operates the company's structure, systems and processes in an effort to provide added value to the company on an ongoing basis which is long term, while still paying attention to stakeholder interests. In addition, it reflects the company based on the laws and norms that apply based on the principles of transparency, accountability, responsibility, independence and fairness.

#### 2. Accounting Conservatism

The maximum value of Accounting Conservatism is 1130.29 which is in Astra International in 2019 and the minimum value of Accounting Conservatism is -803.21 which is in the company Genting Berhad in 2018. Where the greater number of Accounting Conservatism illustrates the company applying the principles in Financial reporting, which recognizes and measures assets and profits with great care because of economic and business activities uncertain.

#### 3. Company Size

The maximum value of the Company Size is 7.34 which is in Astra International in 2019 and the minimum value of the Size is Company 0.25 which is in the Pelikan International Corporation Berhad in 2016. Where the larger the number of Company Size describes the Size The company is getting bigger, where the small size can be seen from the total assets, log size, sales and stock market value.

#### 4. Earnings Management

The maximum value of Earnings Management is 708.52 which is in HM

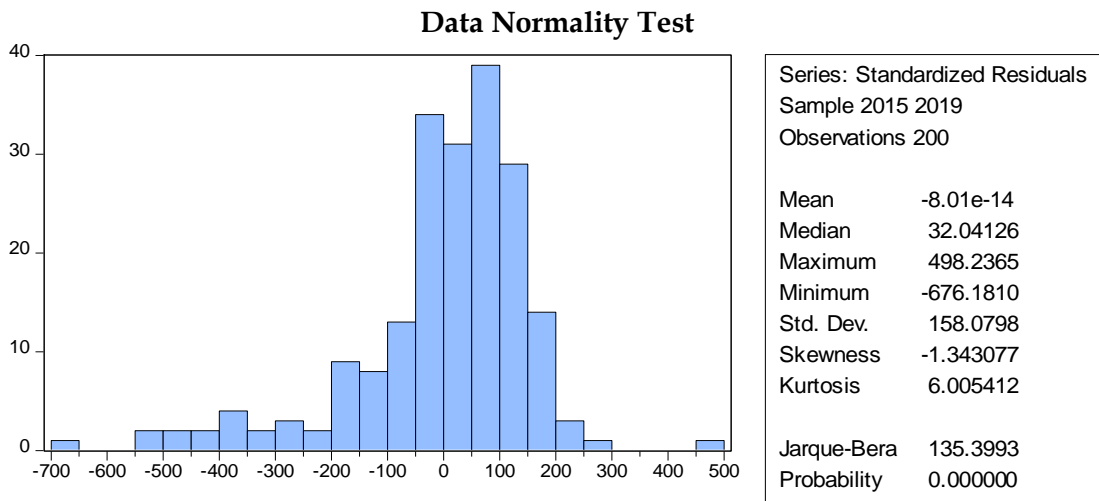
Sampoerna company in 2015 and the minimum value of Management is Earnings-1296.89 which is at the Genting Berhad company in 2016. Where the larger the Earnings Management number illustrates the size of the business a manager in their statements financial where actions are taken by company management with the aim of increasing or decreasing company profits in statements financial.

**5. Managerial Ownership**

The maximum value of Managerial Ownership is 0.01 in the company Gudang Garam Indonesia and Pelikan International Corporation Berhad in 2015-2019 and the minimum value of Managerial Ownership is 0.00 which is in HM company Sampoerna in 2015-2019. Where the greater the Managerial Ownership figure illustrates the greater the percentage of the number of shares owned by the management of the company and can actively participate in making company decisions (directors and commissioners).

**CLASSIC ASSUMPTION TEST**

**1. Normality Test**



Based on the data above, from the Jarque-Bere figures, secondary data from manufacturing companies originating from Indonesia, Malaysia, Thailand is  $135.3993 > 0.05$ . From the results above, it can be concluded that the data for residual Indonesia, Malaysia and Thailand are normal or normally distributed.

**2. Multicollinearity Test**

**Variable Correlation Test**

	GCG	AC	CS
GCG	1.000000	0.038804	0.339799
AC	0.038804	1.000000	0.119382
CS	0.339799	0.119382	1.000000

If seen in the table above, the correlation value between independent variables

between Good Corporate Governance and Accounting Conservatism is 0.038804, Good Corporate Governance to Company Size amounting to 0.339799 and Accounting Conservatism for Company Size of 0.119382. This explains that between the independent variables in the data of manufacturing companies listed on the Stock Exchange (Indonesia, Malaysia, and Thailand) there is no multicollinearity in the regression model, because there is no correlation value that is  $\geq 0.80$ .

### 3. Heteroscedasticity Test

#### Heteroscedasticity Test

Heteroskedasticity Test: White

F-statistic	2.101594	Prob. F(2,197)	0.1250
Obs*R-squared	4.178054	Prob. Chi-Square(2)	0.1238
Scaled explained SS	16.35712	Prob. Chi-Square(2)	0.0003

Based on the results in the table above, the chi square results are 0.1238 where it is  $> 0.05$ . So it can be concluded that there is no heteroscedasticity.

## INTERPRETATION OF RESEARCH RESULTS

### 1. Multiple Linear Regression

#### OutputData Processing

Dependent Variable: ML  
 Method: Panel Least Squares  
 Date: 08/25/20 Time: 18:14  
 Sample: 2015 2019  
 Periods included: 5  
 Cross-sections included: 40  
 Total panel (balanced) observations: 200

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	333.9777	88.77039	3.762264	0.0002
GCG	-2.445551	1.663931	-1.469743	0.1432
AC	0.872469	0.054165	16.10763	0.0000
CS	-66.86670	9.498030	-7.040061	0.0000
MO	-7224.175	6349.712	-1.137717	0.2566
R-squared	0.604829	Mean dependent var		-117.0718
Adjusted R-squared	0.596722	S.D. dependent var		250.6380
S.E. of regression	159.1655	Akaike info criterion		13.00245
Sum squared resid	4940064.	Schwarz criterion		13.08491
Log likelihood	-1295.245	Hannan-Quinn criter.		13.03582
F-statistic	74.61418	Durbin-Watson stat		0.484090
Prob(F-statistic)	0.000000			

**1) The coefficient of determination (R<sup>2</sup>)**

Results obtained when viewed oada table above, looks the value of R Square (R<sup>2</sup>)equal to 0.604829 / 60.4% , where this figure shows the variations that occur in the level of earnings management due to variations in GCG, AC, CS where GCG \* MO, AC \* MO and CS \* MO, and the remaining amounting to 0.596722. The explanation cannot be known. Adjusted R square is the value of R<sup>2</sup> and adjusted where the image is closer to the quality of the assessment model in the study population, amounting to 0.596722.

**2) T test**

The T test aims to test the significance of the regression coefficient, which is to determine whether the independent variable (X) has a significant effect / not.

**Hypothesis:**

Ho = GCG,AC,CS,MO, GCG\*MO,AC\*MO,CS\*MO no significant effect on Earnings Management

Ha = GCG,AC,CS,MO, GCG\*MO,AC\*MO,CS\*MO significant effect on Earnings Management

**T Test Results**

Ho	Variabel	T-Statistik	Probability	Conclusion
H <sub>1</sub>	GCG	-1.464743	0.1432	No effect
H <sub>2</sub>	AC	16.10763	0.0000	Take effect
H <sub>3</sub>	CS	-7.040061	0.0000	Take effect
H <sub>4</sub>	MO	-1.137717	0.2566	No effect

**2. Moderate Regression Analysis (MRA)**

**MRA (Good Corporate Governance) Test on Earnings Management Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	198,181	146,079		1,357	,176
GOOD CORPORATE GOVERNANCE	-5,907	2,657	-,170	-	,027
KEPEMILIKAN MANAJERIAL	-50054,414	90203,379	-,380	-,555	,580
GCGXKM	1205,339	1760,775	,468	,685	,494

a. Dependent Variable: EARNINGS MANAGEMENT

It can be seen in the table that the significant value is 0.494 > 0.05. With these data, it can be concluded that Managerial Ownership does not moderate the relationship between Good Corporate Governance and Earnings Management

**MRA Test (Accounting Conservatism to Earnings Management)  
Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	-130,825	13,523		-	,000
GOOD CORPORATE GOVERNANCE	,819	,063	,687	12,955	,000
KEPEMILIKAN MANAJERIAL	9561,623	7381,344	,073	1,295	,197
	-26,216	61,618	-,024	-,425	,671

a. Dependent Variable: EARNINGS MANAGEMENT

It can be seen in the table that the significant value is  $0.671 > 0.05$ . With these data, it can be concluded that Managerial Ownership does not moderate the relationship between Accounting Conservatism and Earnings Management

**MRA Test (Company Size on Earnings Management)  
Coefficients<sup>a</sup>**

Model	Model		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	193,935	76,042		2,550	,012
GOOD CORPORATE GOVERNANCE	-65,301	15,161	-,342	-	,000
KEPEMILIKAN MANAJERIAL	-22632,703	15791,494	-,172	-	,153
	7971,117	3844,908	,242	1,433	,039

a. Dependent Variable: EARNINGS MANAGEMENT

It can be seen in the table that there is a significant value of  $0.03, 0.05$ . With these data, it can be concluded that Managerial Ownership moderates the relationship between Company Size and Earnings Management.

## RESEARCH HYPOTHESIS RESULTS

### 1. Effect of Good Corporate Governance on Earnings Management

In testing the hypothesis which results in good corporate governance on earnings management does not have a significant effect. Based on these data, it explains that the size of good corporate governance in a company does not have an influence on company earnings management and in other words good corporate governance is not a factor or variable that can affect earnings management in a company. It can be concluded that the existence of GCG principles in companies, namely transparency, accountability, responsibility, independence as well as fairness and equality which is believed to limit the management of earning management in fact this is different from the results of the data obtained, where the low GCG (audit quality, proportion of the board of commissioners) independent,

audit committee) does not affect earnings management. The results of the same research were obtained in research conducted by Fitranita (2013), Sihwahjoeni (2015), Rahmawati (2014), Prasetya & Gayatri (2016). Prabaningrat (2015).

## **2. The Effect of Accounting Conservatism on Earnings Management**

In testing the hypothesis which results in accounting conservatism on earnings management has a significant effect. Based on these data, it explains the size of the accounting conservatism in a company that has an influence on the company's earnings management. In other words, accounting conservatism is one of the factors or variables that can affect earnings management in the company. It can be concluded that the selection of the accounting conservatism method in financial statements will make managers to be more careful and choose earnings management policies with an income decreasing pattern, this is the same as the data results obtained with high accounting conservatism in the company. has a relationship with earnings management which is carried out by the management of the company. The same research results were obtained in research conducted by Fitranita (2013), Adhivinna & Program (2018), Prasetya & Gayatri (2016), Rowland Bismark Fernando Pasaribu Dionysia Kowanda Esty Dwi Widyastuty (2016), Herlambang & Darsono (2015).

## **3. The Influence of Company Size on Earnings Management**

In testing the hypothesis where the company size results in a significant effect on earnings management. Based on these data, it explains that the size of the company in a company has an influence on the company's earnings management and in other words, company size is one of the factors or variables that can affect the company's earnings management. Large companies usually have a role as broader stakeholders. This makes various policies of large companies have a greater impact on public interest than small companies. Large companies tend to be paid more attention by the public so that they are more careful and accurate in doing financial reporting, this is the same as the data obtained where high company size has a relationship with earnings management. The same research results were obtained in research conducted by Sihwahjoeni (2015), Adhivinna & Program (2018), Prasetya & Gayatri (2016), Rowland Bismark Fernando Pasaribu Dionysia Kowanda Esty Dwi Widyastuty (2016), Herlambang & Darsono (2015), (Saftiana et al., 2017), Saftiana et al., (2017), Wuryani, (2013), Nalarreason et al., (2019), Mayasari et al., (2019) and Fitri et al., (2018).

## **4. The influence of Good Corporate Governance on Earnings Management with Managerial Ownership as a moderating variable**

In testing the hypothesis which results in managerial ownership, it does not moderate the relationship between GCG and earnings management. Based on these data, it explains that the size of the results of managerial ownership does not moderate the relationship between the variable size of the company in a company that has an influence on GCG and corporate earnings management. The implementation of corporate governance can be done through monitoring mechanisms to align various interests, one of which is increasing the company's share ownership by management (managerial ownership). ) which is expected to reduce earnings management practices, because management has the same interests as shareholders, but from the data obtained, the resulting managerial ownership in

the company as the implementer of the GCG mechanism cannot moderate GCG and earnings management. The same research results were obtained in the research of Rahmawati (2014) and Rowland Bismark Fernando Pasaribu Dionysia Kowanda Esty Dwi Widyastuty (2016).

#### **5. The Effect of Accounting Conservatism on Earnings Management with Managerial Ownership as a moderating variable**

In testing the hypothesis, which results in managerial ownership, it does not moderate the relationship between accounting conservatism and earnings management. Based on these data, it explains that the size of the resulting managerial ownership does not moderate the relationship between firm size variables in a company that has an influence on the results of accounting conservatism and corporate earnings management. Managerial ownership, which functions to monitor the financial reporting process, where basically with greater managerial ownership in the company, will encourage managers to use the principle of accounting conservatism to avoid short-term opportunistic actions from managers, but in the resulting data where managerial ownership in the company cannot moderate between accounting conservatism, namely being more careful in choosing policies and methods to be used in the company's financial condition in a certain period does not make earnings management in the company decrease or there is no earnings management in the company, because managerial ownership cannot moderate accounting and management conservatism. profit. The same research results were obtained in Harto's research (2014).

#### **6. The Effect of Company Size on Earnings Management with Managerial Ownership as a moderating variable**

In testing the hypothesis where the resulting managerial ownership moderates the relationship between company size and earnings management. Based on these data, it explains that the size of the managerial ownership results does not moderate the relationship between the firm size variables in a company which has an influence on company size and company earnings management. Large companies lack motivation in carrying out earnings management practices. This is because shareholders and interested parties in large companies are considered more critical than small companies, so the greater the shares owned by the manager, it is possible that the manager's actions to carry out earnings management will decrease because the manager feels he owns the company. A larger investor base is found in large companies, so that large companies get stronger pressure to be able to display reliable financial reports. This is consistent with the results of data where managerial ownership can moderate the relationship between firm size and earnings management. The same research results were obtained in the Arthawan & Wirasedana study (2018).

### **CONCLUSIONS**

Research on the influence of Good Corporate Governance, Accounting Conservatism, Company Size on Earnings Management with Managerial Ownership as a moderating variable in manufacturing companies located in the top 3 developing countries in ASEAN and listed on the Stock Exchange (Indonesia, Malaysia and Thailand), which can be concluded as follows ;

1. Good Corporate Governance has no significant effect on Earning Management

2. Accounting conservatism has a significant effect on earnings management
3. Company size has a significant effect on earnings management
4. Managerial Ownership cannot moderate between Good Corporate Governance and Earnings Management
5. Managerial Ownership cannot moderate the accounting conservatism against earnings management
6. Managerial Ownership can moderate the size of the company to earnings management

## SUGGESTION

1. Accounting conservatism has a significant effect on earnings management, where the selection of accounting conservatism methods in financial statements will make managerial more careful and choose earnings management policies with an income decreasing pattern. Company size has a significant effect on earnings management, but this is the majority of large companies, where large companies will have a wider role as stakeholders on the external side. This makes various policies of large companies have a greater impact on public interest than small companies. Because of this, large companies tend to be more careful and accurate in their financial reporting because they are more paid attention by external parties. Managerial Ownership can moderate the size of the company to earnings management, because large companies lack motivation in carrying out earnings management practices that are influenced by external parties and shareholders or parties with an interest in large companies are considered more critical than small companies. This is what makes the greater the number of shares owned by management will affect the decrease in management's motivation in carrying out earnings management.
2. For the next research, you can conduct research by comparing samples of several industries, to see the management of profits in each industry that is influenced by managerial ownership, GCG mechanisms, and company size. If seen in the discussion of this study, where there are management motivation factors in carrying out earnings management, for that in further research it can add management motivation variables as factors that affect earnings management in the company.

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