ABSTRACT

Earnings management is an action taken by management to increase or decrease company profits. This study aims to obtain empirical evidence of the effects of good corporate governance, firm size, leverage, and audit quality on earnings management. The sampling method used was purposive sampling. This study's population is 852 financial statement data for manufacturing companies listed on the Indonesia Stock Exchange from 2017 to 2021.The data that has been collected is then processed using the eviews v9 analysis tool with the panel data regression analysis technique. The results of this study indicate that audit committee size has a positive effect on earnings management. Managerial ownership, board size, and audit quality have a negative effect on earnings management. Institutional ownership and leverage have no effect on earnings management. Meanwhile, audit committee size and firm size have a positive effect on earnings management.

Future researchers are advised to measure earnings management using riil earnings management as another form of earnings management disclosure. The suggested research object for further research is the sub-sector of manufacturing companies. Further researchers are advised to add to the good corporate governance variable and replace the board of commissioners variable measurement method and audit quality with other measurement methods, aiming to obtain alternative results and introduce variations in the occurrence of earnings management.

Keyword : Good Corporate Governance, Size, Leverage, Quality Audit, and Earning Management.