

ABSTRACT

Financial performance is a reflection of a company's achievement of success attained through various activities conducted over a specific period and illustrates the company's health level to assist investors or potential investors in making decisions. Information regarding a company's financial performance can be seen through financial statements. In order to achieve certain profits, some companies may engage in earnings management practices. Earnings management is a practice carried out by companies to attract the attention of investors or shareholders. This study aims to examine the role of corporate social responsibility in moderating the effect of earnings management on financial performance in manufacturing companies listed on the Indonesia Stock Exchange (BEI) from 2017 to 2022.

The method used in this research is quantitative with secondary data, and the sample determination was conducted using purposive sampling. The criteria for the research sample are (a) the company is part of the manufacturing companies listed on the Indonesia Stock Exchange during the period 2017 to 2022, (b) the company uses the Indonesian rupiah as its currency, (c) the company has not experienced losses, (d) the company has complete data in accordance with the research variables. The research analysis tool uses SPSS 25.00 software with Moderated Regression Analysis (MRA).

The results show that earnings management does not affect financial performance (ROA) with a significance value of 0.740 (H1 rejected). There is a significant negative effect of earnings management on financial performance (Tobin's Q) with a significance value of 0.004 (H2 accepted). There is a significant positive effect of corporate social responsibility on financial performance (ROA) with a significance value of 0.000 (H3 accepted). There is a significant positive effect of corporate social responsibility on financial performance (Tobin's Q) with a significance value of 0.012 (H4 accepted). There is a significant effect of earnings management on financial performance (ROA) with moderation by corporate social responsibility with a significance value of 0.043 (H5 accepted). There is a significant effect of earnings management on financial performance (Tobin's Q) with moderation by corporate social responsibility with a significance value of 0.026 (H6 accepted).

Keywords: Earnings Management, Corporate Social Responsibility, ROA, and Tobin's Q