

ABSTRACT

This study aims to provide empirical evidence on the relationship between corporate social responsibility (CSR), earnings management, and moderating effect of ownership structure on these two variables. In this study, CSR is positioned as the independent variable and earnings management as dependent variable. The moderating variables include local ownership, foreign ownership, and institutional ownership. Sample of the study are listed companies on ESG Quality 45 IDX KEHATI index in 2022 during the period 2019-2022. Using the purposive sampling method, total research sample consists of 128 observations that meet the research criteria. The data were analyzed using panel data regression. The findings reveal that CSR has a significant negative effect on earnings management. Furthermore, local ownership and institutional ownership significantly strengthen the relationship between CSR and earnings management. Conversely, foreign ownership does not show any significant effect on the relationship between CSR and earnings management.

Keywords: *earnings management, corporate social responsibility, csr spending, ownership structure, local ownership, foreign ownership, institutional ownership*