

ABSTRACT

This study aims to examine corporate governance mechanism, institutional ownership, independent of commissioner, size board of director, and also firm size and leverage to earning management.

The sample in this study were non- financial companies listed in IDX (Indonesia Stock Exchange) in the periode 2008-2011. The number of sample used were 103 companies listed were taken by purposive sampling. The method of analysis of this research used multi regression and single regression with SPSS 18 Program.

The results of this research show that, (1) institutional ownership had negative significant influence to earnings management, (2) independent of commissioner had positif not significant influence to earning management,(3) size board of director had negative not significant influence to earnings management, (4) leverage had negatif not significant influence to earnings management, (5) firm size had negative not significant influence to earnings management.

Key Words : Corporate governance mechanism, firm size, leverage, earnings management, financial performance.