

ABSTRACT

This research aims to examine the influence of, corporate governance, and size towards earnings management in non financial services companies. Corporate governance in this research intersect in three variables, such as managerial ownership, institutional ownership and the proportion of independent board commissioner. The firm size measured by using the natural logarithm of total assets.

This research was conducted by using documentary method from ICMD and annual reports of companies. The analysis method of this research using multiple regression. This study using data from non financial services companies listed in Bursa Efek Indonesia (BEI) in 2009 until 2011. Sample of this study are 60 non financial services companies.

Based on the result of the research, it shows that variable which has a significance influence is the managerial ownership, and institutional ownership. The increasingly managerial ownership, and institutional ownership, can make earnings management decrease in that non financial services companies. The proportion of independent board commissioner variable and firm size variable does not have a significance influence on the earnings management at non-financial services companies.

Keywords: corporate governance, firm size, and earnings management.