

ABSTRACT

This study aims to analyze the effect of the company's ownership structure on earnings management. In research, ownership structure focuses on managerial ownership and institutional ownership. The dependent variable used in this study is earnings management measured using the modified Jones model. The independent variables used in this study are managerial ownership, institutional ownership and the size of the board of commissioners. This study also uses control variables, namely return on assets, leverage and size

The research data used are secondary data obtained from annual reports of non-financial sector public companies listed on the Bloomberg Data Base in 2018 and selected using the purposive sampling method. The analytical method used in this study is multiple regression analysis. Before a regression test is performed, the classic assumption test analysis is done first.

The results showed that there were positive results between managerial ownership and earnings management. Meanwhile, institutional ownership has a negative effect on earnings management. With the sense that the structure of ownership affects the implementation of earnings management practices in a company. The size of the board of commissioners has no influence on earnings management because it is not significant.

Keywords: *earnings management, ownership structure, managerial ownership, institutional ownership, board size*