Jurnal Ekonomi Akuntansi Manajemen (JESIM)
Vol 1, No. 3, December 2023
E-ISSN: 2988-6856
URL: https://jurnal.amrillah.net/index.php/jesim

PROFITABILITY, LEVERAGE, COMPANY SIZE, AUDIT OPINION AND PROFIT MANAGEMENT

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Keywords:
Earnings Management; Profitability; Leverage; Firm Size; Audit Opinion.

Kata Kunci:
Manajemen Laba; Profitabilitas; Leverage; Ukuran Perusahaan; Opini Audit.

ABSTRACT
The aim of this study is to empirically examine the effect of profitability, leverage, firm size, and audit opinion on earnings management. The research population is energy sector companies listed on the Indonesia Stock Exchange for the 2019-2021 period. The sampling technique used a purposive sampling method, with the final sample being 23 energy companies, the total data being 69 observational data. The analytical method used is multiple linear regression analysis with the help of the SPSS Version 25 program. The results show that profitability and firm size have a positive effect on earnings management, while leverage and audit opinion have no effect on earnings management. Subsequent research can use other variables or replace proxies and add sectors and years of research.

Accepted:
20 November 2023
Approved:
27 November 2023
Published:
28 December 2023

ABSTRAK
Penelitian bertujuan menguji secara empiris pengaruh profitabilitas, leverage, ukuran perusahaan dan opini audit terhadap manajemen laba. Populasi penelitian adalah perusahaan sektor energi yang terdaftar di Bursa Efek Indonesia periode 2019-2021. Teknik pengambilan sampel menggunakan metode purposive sampling, dengan hasil akhir sampel adalah 23 perusahaan energi, total data menjadi 69 data observasi. Metode analisis yang digunakan adalah analisis regresi linear berganda dengan bantuan program SPSS Versi 25. Hasil penelitian menunjukkan profitabilitas dan ukuran perusahaan memiliki pengaruh positif terhadap manajemen laba, sedangkan leverage dan opini audit tidak berpengaruh terhadap manajemen laba. Penelitia selanjutnya dapat menggunakan variabel lain atau mengganti proksi dan menambah sektor serta tahun penelitian.

1. INTRODUCTION

The rapid development of companies going public encourages it to continue creating a competitive advantage in its line of business. The goals are: So that the company gets external funding support to support operational activities of the company. Profit information is the main focus of the investors in investing. As stated in PSAK No. 1, Profit information is needed as material for assessing changes in resource potential economical in the future; to formulate related considerations the effectiveness of the company in utilizing additional resources; and generating cash flow from existing resources (Indonesian Institute of Accountants, 2015).

Profit information is often the target of opportunistic actions of management to make a profit as he expected. To achieve a profit that It is expected that the management will choose the appropriate accounting method standards, such as by lowering, leveling, or increasing profit fix the value of the profit to be reported. Financial Accounting Standards Accrual-based (SAK) gives managers a boost in the form of discretion or managerial discretion to modify reports finance so that the company can produce financial statements according to the desirable (Indriani et al., 2020). The purpose of improving the company's profits is related to With the basic concept of accounting, namely going concern, namely so that the company Considered to have the ability to maintain sustainability Business. This action of influencing the value of profit is also known as action profit management (Purnama, 2017).

Profit management is a frequent phenomenon in the world accountancy. As agency theory illustrates, profit management arises because There is an agency conflict caused by asymmetry information between management with shareholders (Schipper, 1989) and (Warfield et al., 1995).

The existence of asymmetry information encourages company management to Fabricate or present untrue financial statements. Theory accounting that aims to predict what policy will be chosen Future managers also motivate managers to take action Profit management, namely by looking at the bonus plan hypothesis, debt to hypothesis equity, dan hipotesis political cost. Profitability is the company's ability to earn profit through all resources owned, such as sales, capital, number of employees, number of branches, and so on. The company will be assessed Have good performance if the profitability is high. With Once profit management measures are implemented so that the company is deemed to have good performance. The relationship of profitability with the motivation of the bonus plan hypothesis according to Watts & Zimmerman (1986) is management will choose the method which can maximize its utility, namely a high bonus. It is trigger company management to get bonuses or compensation The big ones then profit management needs to be applied.

Previous research on profitability on profit management performed by Yasmin et al. (2022), Gusmiarni &; Soeparyono (2020) and Indrawan et al. (2018) which states profitability has a negative effect on profit management. However, it is different from Winarti (2019) which states that profitability has a positive effect on profit management and Sari & Susilowati (2021) who stated that profitability has no effect on profit management.

Leverage is a company's ability to use debt for asset financing when carrying out operational activities. Condition Companies that have a high level of leverage will motivate managers companies to carry out profit management by converting losses into income so that the company avoids technical failure of debt agreements. It is in accordance with the Positive Accounting Theory on the debt covenant hypothesis, which declare to avoid breach of the manager's debt agreement. Because If the debt agreement is violated by the company, it will have an impact on financial penalties to be received, such as possible accelerated falls debt maturity, increase in interest rate, and renegotiation of debt period (Fargher et al., 2001). That way profit management is applied to suppress debt ratio of the company.

Research by Winarti (2019), Fandriani &; Tunjung (2019) and Sari & Susilowati (2021) stated that leverage has a positive influence on profit management. But different from Mahdalena et al. (2019) the states leverage negatively affects profit management and Gusmiarni &; Soeparyono (2020) which states that leverage has no effect against profit management. The size of the company is a comparison used for shows the size of the company through total net sales, total assets or market capitalization. Companies that are bigger and have gone The public tends to have less motivation to do management profit. The reason is that large companies are in Tighter supervision from external parties, so it will tend to be more cautious in presenting the condition of its financial statements (Fandriani & Tunjung, 2019).

Khanh &; Nguyen (2018), Yasa et al. (2020) states that size The company negatively affects profit management. But different with research Ronikusuma &; Hadiprajitno (2018) states the size the company has a positive influence on profit management and Agustia & Suryani (2018) states that the size of the company has no effect against profit management.

An audit opinion is a statement related to the conclusion of the fairness examiner an information or assertion stated in the financial statements (Utami & Sulardi, 2019). Audit opinion is an indicator of the correctness of the contents of financial statements and its compatibility with applicable rules. The better the opinion received by the company indicates the better the quality of profit reporting the company. So that companies will tend to implement Profit management so that the company's financial statements are considered to have good profit quality (Sasongko et al., 2019).

Khasanah (2020) and Sukmawati (2018) in their research stated that audit opinions negatively affect profit management. But in contrast to the research of Tarigan &; Saragih (2020) which says that: The auditor's opinion has no effect on profit management. Researchers are interested in re-examining the effect of profitability, leverage, company size, and audit opinion on profit management due to There are still inconsistencies in the results of previous research. Novelty This research is by changing the proxy of audit opinion measurement that Previously widely used dummy variable proxies, changed to with Score the grade in descending. That way this research is expected able to add empirical evidence related to the influence of variables profitability, leverage, company size, and audit opinion on profit management.

Profitability is a reflection of the profit earned by the company or organization in one period. The lower the profitability, the more low level of management effectiveness of an enterprise. So when low profitability of the enterprise, profit management is applied by means of Increase profits to avoid risk aversion by investors (Utami &; Handayani, 2019). Research Yasmin et al. (2022)

states if the company's profitability is low then it is likely Companies to get investors are also low, because investors will be more Choosing a company that has high profitability to embed Capital. So as to get the attention of investors back, the company Need to monitor financial statements to keep them looking good in the eyes of investors So that it can be seen as feasible by investors to invest. Result the research is in line with the research of Gusmiarni &; Soeparyono (2020) and Indrawan et al. (2018) which states profitability has a negative effect against profit management.

H1: Profitability negatively affects profit management. To measure a company's ability to use debt The borrowed leverage ratio is used. The greater the leverage ratio, the more There is also great motivation for managers to perform profit management actions by How to increase profit or capital, in order to reduce the leverage ratio owned. A high level of leverage indicates the company is in an innovable state or has less wealth than his debt. Under the circumstances Additional funds from external parties will generally be difficult to obtain, Because the company will be considered to be experiencing debt payment failure by external parties, to overcome this, managers apply profit management to increase external party confidence in the company's ability to pay debts in the future (Prasojo & Fatayati, 2018). The results of this study are in line with the research of Fandriani & Tunjung (2019) and Sari &; Susilowati (2021) who stated leverage Positively affect profit management.

H2: Leverage has a positive effect on profit management. The size of a company can be classified from the total assets owned by the company. The larger the size of the company, the more It is unlikely that such companies will take profit management actions.

Because the performance of large-sized companies will be more seen by public, that way the company will report its financial condition Careful and transparent, so it is likely that large companies do profit management to beautify profits will be less (Sari & Susilowati, 2021). Research Yasa et al. (2020) says getting biggercompany, hence public or market oversight of internal parties Companies are getting tighter as well. So that company managers are sized Large will likely avoid profit management practices. Research results this is in line with the research of Agustia & Suryani (2018) and Khanh & Nguyen (2018) which states that the size of the company has a negative effect on profit management.

H3: Company size negatively affects profit management. An audit opinion is an auditor's statement on the fairness of the report his finances (Rahayu, 2020). In general, companies expect auditors issue an unqualified opinion, therefore indicates that the company has presented financial statements fairly in accordance with with applicable accounting standards (Tarigan &; Saragih, 2020). The better The opinion received by the company, the better the quality of profit presented by the company, indicating that it is increasingly unlikely profit management applied by the company (Alhana et al, 2017). However, if The previous year's audit opinion received by the company was not good, then Companies will tend to perform profit management actions in The current year will be even higher. This is done so that the financial statements The company is considered to have good profit quality, so the company will get a good opinion from the auditor, as well as gain trust also from investors to maintain their capital (Sasongko et al., 2019). Result the research is in line with Khasanah (2020) and Sukmawati (2018) which Stating an audit opinion negatively affects profit management.

H: Audit opinion negatively affects profit management.

2. RESEARCH METHODS

The data used is secondary data obtained through the report finance of energy sector companies sourced from the Stock Exchange page Indonesia (IDX). The period of this study is three years, that is, from 2019-2021. The study population numbered 72 companies. Sampling technique The method used is purposive sampling. After Through sample selection with five criteria, 23 companies were obtained: is used as a sample, which is then multiplied by the study period A total of three years (2019-2021), so this study had 69 observations.Audit opinion in this study was measured using audit opinion previous year, as used by Andryana & Purnamasari (2016) and Sukmawati (2018). The audit opinion measurement used is categorical by assigning a declining value to the opinion given. According to Kurniati &; Tabrani (2017) audit opinion measurement can be represented by: Value 1:disclaimer opinion; Value 2: adverse opinion; Value 3: qualified opinion; Value 4: unqualified opnion with explanatory; dan Nilai 5: unqualified opnion.

3. RESULTS AND DISCUSSION

The descriptive statistical measurement used is the maximum value, the value drinking, average value, and standard deviation value. Statistical test results descriptives are presented in Table 1.

Table 1. Descriptive Statistical Test Results

	N	*Minimum*	*Maximum*	*Mean*	*Std. Deviation*
EM	67	-0,450	0,130	-0,093	0,111
ROA	67	-73,290	23,770	-3,414	16,432
DAR	67	11,520	203,580	63,979	39,587
SIZE	67	14,830	28,210	24,102	4,305
OA	67	3	5	4,510	0,637
Valid N (listwise)	67				

Based on Table 1, it is known that profit management variables have values: The minimum is -0.450 and the maximum value is 0.130. Variable Profitability has a minimum value of -73,290 and its maximum value amounted to 23,770. The variable leverage has a minimum value of 11,520 and a value of The maximum is 203,580. The variable size of the company has a value The minimum is 14,830 and the maximum is 28,210. Opinion variables The audit has a minimum score of 3 and a maximum value of 5. Table Descriptive also indicates that the variables of profit management and profitability has an average value greater than its standard deviation, signifying These variables vary. The classical assumption test is performed as a prerequisite for conducting a regression analysis.

A regression model is said to be good if it has been normally distributed, and has Free from problems of multicollinearity, autocorrelation, and heteroscedasticity. This observational data has been tested by classical assumptions and expressed as distributed normally and has been free from the problems of multicollinearity, autocorrelation, and heteroscedasticity. The results of hypothesis testing are presented in Table 2.

Table 2. Hypothesis Test Results

Model	*Coefficients* B	t	Sig.	Kesimpulan Statistik
(Constant)	-0,196	-2,036	0,046	
ROA	0,006	9,553	0,000	H_1 Diterima
DAR	0,000	1,203	0,234	H_2 Tidak Diterima
SIZE	0,004	2,082	0,042	H_3 Diterima
OA	-0,001	-0,045	0,964	H_4 Tidak Diterima
F = 24,758				
Sig = 0,000				
R Square = 0,615				
Adj R Square = 0,590				

As seen in Table 2, hypothesis 1 is not accepted because of the value Sig. smaller than 0.05 (0.000<0.05), but the value of the B ceofficients of the variable Profitability shows a positive figure, so this result showsthat profitability has a significant positive effect on profit management. Hypothesis 2 is not accepted because the value of Sig. is greater than 0.05 (0.234>0.05), the result This shows that leverage has no effect on profit management. Hypothesis 3 is not accepted because of the value of Sig. less than 0.05 (0.042<0.05), however the value of ceofficients B of the company size variable shows a number which is positive, so these results indicate that the size of the company significant positive effect on profit management. Hypothesis 4 does not ccepted due to the value of Sig. greater than 0.05 (0.964>0.05), the result Showing an audit opinion has no effect on profit management. As seen in Table 2, it is known that the value of Sig. that obtained on the F test (Fvalue) is 0.000, where this value < 0.05. So it can It was concluded that the regression model used in this study was feasible for use. As seen in Table 2, it is known that the values The Adjusted R Square of this study's regression model is 0.590 or 59%. The value indicates that the independent variable is able to provide more than half the information to predict the dependent variable.

Profitability is proven to have a positive influence on profit management. This means that the higher the profitability the company has, the more High is also the profit management that the company will do. So is Conversely, the lower the profitability the company has, the more Low is also the profit management that the company will do. The positive effect of profitability on profit management indicates on two possibilities that motivate managers to carry out management Profit is in terms of bonuses and in terms of politics. When viewed in terms of acceptance Bonus, this confirms the positive accounting theory related to the bonus plan hypothesis. Where management will choose methods that increase the value of profitability In order to maximize its utility, namely to get a high bonus.

But when viewed from a political point of view, this is related to managementcompanies that make a decrease in profits so that the level of profitability decreases, So that the tax paid by the company also decreased. This result contradicted by the research of Yasmin et al. (2022), Gusmiarni &; Soeparyono (2020) and Indrawan et al. (2018) which stated that profitability has a negative effect against profit management and Sari &; Susilowati (2021) which stated Profitability has no effect on profit management. Leverage has

proven to have no effect on profit management. Means that the size of the leverage owned by the company will not be affect the profit management carried out by the company. Not The effect of leverage on profit management is related to theory positive accounting of debt agreements. Where in general the company carry out profit management actions by lowering the debt ratio in order Avoid violating debt agreements. Because if you violate the agreement debt, the company will get a bad assessment from creditors. Whereas good and bad creditors' assessment of a company remains not prevent the company from fulfilling obligations debt payments and do not avoid monitoring actions that Strict on the part of creditors against companies that are bound by debt agreements aforementioned. So regardless of the level of leverage a company has, the fulfillment of debt agreements must still be done. These results are contradicted by research by Fandriani &; Tunjung (2019), Sari &; Susilowati (2021), and Prasojo & Fatayati (2018) which states that leverage has a positive effect on profit management and Mahdalena et al. (2019) which states leverage is not influence on profit management. The size of the company has a positive effect on profit management. This means that the larger the size of the company, the greater the likelihood of action Profit management is applied in the enterprise. Vice versa, the smaller The size of the company, the smaller the possibility of management action profit that will be made on the company. Positive influence The size of the company to profit management is due to total assets that are still Being a consideration for investing compared to Looking at how market conditions actually occur. In addition, for Investors who have just plunged into the field of investment, regard it highly The level of profit owned by the company can be seen from the size of the company owned, so to invest in large companies will is considered better than in companies that are not large in size. Thing It is what motivates profit management actions among management company, in order to meet shareholder expectations to get huge profits. The results of research on this variable support agency theory which relates to the role of the manager as an agent that should be Done, namely to maximize the welfare of shareholders. These results are contradicted by the research of Yasa et al. (2020), Khanh & Nguyen (2018)
which states that the size of the company negatively affects the profit management and research, Agustia &; Suryani (2018), company size negatively affect profit management. Audit opinions have no effect on profit management. This means that Good or bad audit

opinion received by the company will not be affect the profit management carried out by the company. Not The influence of audit opinion on profit management is caused by Profit management which is the selection of an accounting model that It is in accordancewith the standard to improve the value of profits to be reported on financial statements. So if energy sector companies do actions that lead to profit management but value that Changed not materiality and the use of the model remains according to standards accounting, then the provision of fair opinions without exception is still not inevitable. In addition, other auditor consideration criteria in awarding An opinion is seen from the compliance of financial governance with the law and regulations, effectiveness of internal control systems, and adequacy Disclosure provided. So even though a company does profit management actions, but all criteria have been met, then The provision of unqualified fair opinion remains inevitable. With So, agency theory on this variable research is not supported, because with The existence of auditors as third parties still cannot suppress agency problems that occurs between the agent and principal to minimize the occurrence profit management actions. These results are contradicted by Khasanah's (2020) research and Sukmawati (2018) who stated that the auditor's opinion had a negative effect against profit management.

4. CONCLUSION

The conclusion that can be drawn is that profitability and size The company has a positive effect on profit management. Leverage and size The company has no effect on profit management. Reasons for profitability The positive effect on profit management is caused by the existence of encouragement for managers to carry out profit management in terms of bonuses and In terms of politics. Why company size positively affects Profit management is caused by the many total trends assets that are the basis for investors' consideration to do investment. This study was limited to four independent variables, where based on the results of the R2 test the ability of these four independent variables in explains the dependent variable is only 59% and there are still 41% again that can be affected by other variables. In addition, the study focused only on the energy sector listed on the Indonesia Stock Exchange With research years only for three periods, namely 2019-2021.

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