ABSTRACT

Earnings Persistence is a revision of earnings to see the company's sustainable profits. Earnings persistence is an important aspect in earnings information for decision making. Earnings persistence can predict future earnings which is useful for investors in allocating the right funds to invest. This study aims to determine the effect of institutional ownership, managerial ownership, ownership concentration, debt levels and company size on earnings persistence.

This study uses data from the property, real estate and construction sector companies listed on the Indonesia Stock Exchange in 2013 to 2017. The sample selection technique in this study used purposive sampling and obtained 17 companies over a period of 5 years so that 85 samples were observed. The data analysis method in this study uses multiple linear regression and the process is used Eviews 10 software.

This study refers to Agency theory relating to the conflict between agents and principals. Hypothesis testing results indicate simultaneously institutional ownership, managerial ownership and ownership concentration as well as the level of debt and company size affect earnings persistence. Partial test shows institutional ownership, managerial ownership, ownership concentration and firm size negatively affect earnings persistence while the level of debt does not affect earnings persistence.

For further research, it is expected to add other financial and non-financial variables that have not been used in this study and use other objects. It is expected for company management to maximize performance in order to produce better profits and for investors to pay more attention to all information in the financial statements.

Keywords: Institutional Ownership, Managerial Ownership, Ownership Concentration, Leverage, Firm Size, Earnings Persistence