

ABSTRACT

The weakening PDB of mining sector companies listed on the Indonesia Stock Exchange for the 2014-2018 period had a negative impact, such as experiencing a decline in profits which prompted management to manipulate financial reports, commonly known as earnings management.

Earnings management is the corporate action to manipulate information that can cause financial statements no longer reflect their fundamental value. Earnings management is proxied using the Modified Jones Model.

This study aims to determine how the effect of the Independent Boards of Commissioners, Institutional Ownership, Managerial Ownership, and Foreign Ownership on Earnings Management (Study on Mining Sector Companies listed on the Indonesian Stock Exchange Period 2014-2018).

The population of this study is 43 mining sector companies listed on the Indonesian Stock Exchange in the 2014-2018 period. This research uses quantitative methods. The sample selection technique uses a purposive sampling techniques. Samples from this study amount to 7 companies within a period of 5 years, so as to obtain that the total data of 35 samples. The research method uses panel data regression analysis.

The results of this study indicate that the independent variables simultaneously affect earnings management. Partially, the independent board of commissioners has no significant negative effect on earnings management, institutional ownership has a significant positive effect on earnings management, managerial ownership has a positive and insignificant effect on earnings management, and foreign ownership has a significant positive effect on earnings management.

Keyword: Independent Boards of Commissioners, Institutional Ownership, Managerial Ownership, Foreign Ownership, and Earnings Management