

ABSTRACT

Earnings management is an action taken by management in increasing or decreasing profits in financial statements by using accounting methods and procedures with the aim of misleading external parties from the company who want to know the condition and performance of the company.

This study aims to analyze the effect of corporate social responsibility disclosure, debt covenants, audit committee activity and earnings management, as well as to analyze the simultaneous and partial effect of corporate social responsibility disclosure, debt covenants and audit committee activity on earnings management in Manufacturing Companies listed on the Stock Exchange. Indonesia Stock Exchange (IDX) in 2020.

The method used in this study is a quantitative method. The population in this study are Manufacturing Companies listed on the Indonesia Stock Exchange (IDX) in 2020. The population consists of 127 companies with a sample selection technique using purposive sampling and getting a sample of 80 samples. The type of data used is secondary data with the data collection technique used is multiple linear regression analysis using Statistical Product and Service Solutions (SPSS) Software.

The results of the study indicate that corporate social responsibility disclosure, debt covenants and the activeness of the audit committee have a simultaneous effect on earnings management. Partially, corporate social responsibility disclosure has a positive effect on earnings management, debt covenants and audit committee activity have no effect on earnings management.

The novelty in this research is an indicator in the achievement of corporate social responsibility disclosure, namely using POJK Number 51/POJK.03/2017. The results of this study are expected to provide theoretical and practical aspects to academics, government and investors regarding the effect of corporate social responsibility disclosure, debt covenants and audit committee activity on earnings management. For further researchers to replace or add independent variables and increase the research period that can affect earnings management. Further research can replace research objects from other sectors to find out which company performance is better and has a relationship with earnings management. For companies to report financial statements that are in accordance with the company's conditions and avoid earnings management actions.

Keywords: Corporate Social Responsibility Disclosure, Debt Covenant, Audit Committee Activities, Earnings Management