

The Effect of Managerial Ownership, Independent Commissioner and Tax Planning on Profit Management in Manufacturing Companies Listed on Indonesia Stock Exchange 2020-2022

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ABSTRACT

Purpose: Profit management is an attempt by management to manipulate information so that it does not reflect reality. The purpose of earnings management is to provide information in the form of financial statements that have been manipulated through various efforts to bring produce the financial statements desired by management, in order to provide stakeholders and potential investors with an overview of management's performance in terms of generating company profits. Several factors are considered to influence profit management, namely managerial ownership, independent commissioners and tax planning. The purpose of this research is to analyse the influence between managerial ownership, independent commissioners and tax planning on profit management in manufacturing companies listed on the Indonesia Stock Exchange in 2020-2022.

Design/methodology/approach: The type of research used is quantitative research, with a sample of manufacturing companies listed on the Indonesia Stock Exchange in 2020-2022. The sampling technique used was purposive sampling technique.

Research limitations/implications: The results showed that managerial ownership variable had a negative effect on profit management, independent commissioner variable had no significant effect on profit management, tax planning variable had a positive effect on profit management, and managerial ownership, independent commissioners and tax planning simultaneously affected profit management.

Paper type: Research paper

Keyword: *Managerial Ownership, Independent Commissioner, Tax Planning, Profit Management*

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I. INTRODUCTION

A. Theory Overview

1. Agency Theory

Agency theory is defined as a principal-agent relationship in which one or more principals (owners) hire another person (agent) to provide services for the benefit of the owners by delegating some decision-making authority (Jensen & Meckling, 1976). The agent referred to here is the party who carries out operational activities, often referred to as manager, while the principal is one or more owners or shareholders. Agency theory assumes that each individual has their own interests based on the motivation to fulfil their well-being (Negara & Saputra, 2017). Agency theory arises due to the divergence of interests between the management and the shareholders.

The concept of agency theory, explains that the relationship between managers and shareholders is an agency relationship between principal and agent. The agent is appointed by the principal to carry out operational activities. The shareholders as the principal party and also the ultimate power owners in the company determine the direction and objectives of the company through the General Meeting of Shareholders (RUPS). Meanwhile, the manager as the agent has the power to manage the operational activities of the company. It can be concluded that each party has different interests, which explains the existence of the agency theory concept where there is a conflict between the interests of the agent and the principal.

When manager has shares in the company, the manager will tend to have the same interests as other shareholders (Pramesti & Budiasih, 2017). With the manager's efforts to hold shares in the company, it is expected that the manager will tend to suppress their desires that are contrary to the interest of the shareholder, thus reducing the potential agency conflicts that may arise due to these different interests.

In the concept of agency theory, conflicts arise because of the different interests of each party. In order to prevent these conflicts from arising in the future, it is necessary to have independent commissioners who are not affiliated with any party to participate in overseeing the operational activities of the company conducted by the manager as the principal party.

The concept of profit management is influenced by tax planning which is conceptually explained by agency theory, namely the difference in interests between each principal and agent, and the factors that influence it are the existence of information asymmetry. Management seeks to present good performance to shareholders to attract their interest in investing in the company. Information asymmetry is a situation where the agent has information that the principal does not have (N.K.L. Lestari & Supadmi, 2017). Extensive information about the state of the company is possessed by the agent, while minimal information is received by the principal, which referred to as information asymmetry (Pramesti & Budiasih, 2017). With the presence of asymmetric information and conflicting interests in agency theory, tax planning opens up opportunities for managers as the agent to engage in profit management.

2. Managerial Ownership

Managerial ownership refers to the extent of shares held by managers (Pramesti & Budiasih, 2017). Managerial ownership is a condition in which the manager owns a portion of the company's shares, or in other words, the manager is also involved as a shareholder of the company (Tarigan & Christiawan, 2016). The extent of the composition of managers shareholdings can be seen in the notes to the company's financial statements. With the appointment of managers as part of the shareholders, managers are expected to oversee the policies implemented by the company.

In the concept of agency theory, it is explained that the relationship between managers and shareholders is an agency relationship between the principal and the agent. The agent is appointed by the principal as the party who performs operational activities. The shareholders as the principal party and also the ultimate power holders in the company determine the direction and objectives of the company through the General Meeting of Shareholders (RUPS). Meanwhile, the manager as the agent has the authority to manage the operational activities of the company. It can be concluded that each party has different interests, which explains the existence of the relationship concept of agency theory where there is a conflict between the interests of the agent and the principal.

If the manager holds shares in the company, the manager will tend to have the same interests as other shareholders (Pramesti & Budiasih, 2017). With the manager's efforts to hold shares in the company, it is expected that the manager will tend to suppress their desires that are contrary to the interests of the shareholders, thus reducing the potential agency conflicts that may arise due to these different interests.

3. Independent Commissioner

According to the National Committee on Governance Policy (2006) in the general guidelines of Good Corporate Governance, an independent commissioner is a commissioner who is not affiliated with any party. Affiliated parties can be those who still have relationships, whether business or family, with shareholders, members of the board of directors, and other members of the board of commissioners.

The members of the board of commissioners are appointed by the General Meeting of Shareholders (RUPS), and the evaluation of potential members of the board of commissioners is carried out by the National Committee and Remuneration before the RUPS, and must also take into account the opinions of minority shareholders. The number of independent commissioners is adjusted to the complexity of the company, taking into account the effectiveness of decision-making. The number of independent commissioners must also ensure that supervision is carried out in accordance with regulations. Members of the board of commissioners are dismissed on reasonable grounds and are given the opportunity to defend themselves.

In the concept of agency theory, conflicts arise because of the different interests of the parties. In order to prevent these conflicts from arising in the future, it is necessary to have an independent board of commissioners as a party that is not affiliated with any party to participate in the supervision of the operational activities of the company conducted by the manager as the principal party.

4. Tax Planning

Tax planning is the process of organizing the taxpayer's business in such a way that its tax liabilities, including income tax and other taxes, are minimised as long as it does not violate legal provisions (Pohan, 2013). Tax planning is an effort by management to minimise the taxes payable by the company, by exploiting various legal loopholes.

The concept of profit management is influenced by tax planning which is conceptually explained by agency theory, namely the difference in interests between each principal and agent, with factors influencing the existence of information asymmetry. Management seeks to present good performance to shareholders to attract their interest in investing in the company. Information asymmetry is a situation where the agent has information that the principal does not have (N.K.L. Lestari & Supadmi, 2017). Extensive information about the state of the company is possessed by the agent, while minimal information is received by the principal, referred to as information asymmetry (Pramessti & Budiasih, 2017). With the presence of asymmetric information and conflicting interests in agency theory, tax planning opens up opportunities for managers as agents to engage in profit management.

5. Profit management

Profit management is an attempt to conceal, alter, or even delay financial information. Management engages in profit management to create wealth for shareholders. Profit management is carried out in financial reports using accrual components, referred to as accrual because it is in line with expectations for carrying out transactions in the preparation of financial statements (Sulistiyanto, 2008).

In the concept of agency theory, profit management arises due to the different interests of each party. Profit management is carried out with the aim of manipulating financial reports to make profits appear larger than they should be. This effort is made by management to give stakeholders the impression that management performance is optimal, and also to attract investors. One of the factors influencing profit management is tax planning, which occurs when management exploits various loopholes to reduce the amount of tax that the company has to pay, thereby reducing the costs that the company has to incur, which are then expected to be used for other company interests.

II. METHODS

A. Research Approach

The type of research used in this study is quantitative research. Quantitative research is used to test a theory, present a fact or describe statistics, to show the relationship between variables. (Firdaus & Zamzam, 2018).

B. Population, Sample and Sampling Technique

The sampling technique used is purposive sampling. Purposive sampling is a sampling technique based on specific considerations to ensure that the selected samples are appropriate. The sampling is based on specific characteristics or attributes that are expected to have existing relationships in the known population (Mustafidah & Suwarsito, 2020). The criteria for companies to be sampled in this study are as follows:

1. Manufacturing companies listed on the Indonesia Stock Exchange during the period 2020-2022.
2. Manufacturing companies that have not been delisted during the period 2020-2022.
3. Manufacturing companies that were not relisted during the period 2020-2022.
4. Manufacturing companies that reported audited annual financial statements on the official website of the Indonesia Stock Exchange www.idx.co.id during the period 2020-2022.
5. Manufacturing companies that made profits during the period 2020-2022.
6. Manufacturing companies that used financial statements with the Indonesian Rupiah exchange rate during the period 2020-2022.

C. Operational Definition and Variable Measurement

The variables used in this study are divided into independent variables and dependent variables. The variables related to this study include:

1. Managerial Ownership (X1)

Managerial ownership as an independent variable (X1) is used to determine the percentage of managerial ownership in a company, with the aim of reducing profit management. Managerial ownership is measured by the ratio of the number of shares owned by management to the total shares outstanding, which refers to the journal (Septriyuni, 2021). (Septriyuni, 2021) using the following formula:

$$\text{Managerial ownership} = \frac{\text{The number of shares held by the managerial party}}{\text{Outstanding shares}}$$

2. Independent Commissioner (X2)

Independent commissioners as an independent variable (X2) is used to determine the size of the board of commissioners who are independent and do not come from affiliated parties. Independent commissioners are

calculated using the ratio of the number of independent commissioners to the number of members of the board of commissioners, which refers to the journal (Ariska et al., 2016) using the following formula:

$$\text{Independent commissioners} = \frac{\Sigma \text{Independent commissioners}}{\Sigma \text{Member of the board of Commissioners}} \times 100\%$$

3. Tax Planning (X3)

Tax planning as an independent variable (X3) is used to determine the effectiveness of a company's tax management through the current year's financial statements. Tax planning is calculated using the tax retention rate by using the ratio of net income to profit before tax, which is referred to the journal (Sutrisno et al., 2018). (Sutrisno et al., 2018) using the following formula:

$$\text{Tax planning} = \frac{\text{Net profit}}{\text{Profit before tax}}$$

4. Profit management (Y1)

Profit management as a dependent variable (Y1) is used to determine the efforts made by management to manipulate financial statements to make profits appear higher than they should be. Profit management is measured by the ratio of working capital accruals (cash flow from operating activities) to sales, which refers to the journal (Septriuni, 2021). (Septriuni, 2021) using the following formula:

$$\text{Profit management} = \frac{\text{Working capital accrual}}{\text{Sales}}$$

D. Data Analysis Technique

Data analysis techniques are techniques used to find answers to the problems discussed in the study. This research using descriptive statistical data analysis techniques, multiple linear regression, classical assumption tests, and hypothesis testing.

1. Descriptive Statistical Analysis

Descriptive statistics are a series of numbers that provide an overview of the data presented in the form of tables, graphs, histograms, frequency polygons, ogives, measures of rank (median, quartiles, deciles, and percentiles), measures of central symptoms (mean, mean measure, harmonic mean, and mode), standard deviation, standard number, normal curve, correlation, and linear regression.

2. Multiple Linear Regression Analysis

Multiple linear regression analysis is used to estimate the effect of two or more predictor variables on a criterion variable to prove whether there is a functional relationship between two or more independent variables and the dependent variable. (Usman & Akbar, 2019).

3. Classical Assumption Test

The classical assumption test is performed to ensure that the regression equation tested and obtained is accurate in estimation, unbiased and consistent. The classical assumption test is performed prior to hypothesis testing, to determine whether the regression model used is free of assumption bias. The classical assumption tests used in this study are Normality Test, Multicollinearity Test, Autocorrelation Test, and Heteroscedasticity Test.

4. Hypothesis Test

Hypothesis testing is used to decide whether the hypothesis proposed in the study is accepted or rejected. The hypothesis tests performed in this research include partial tests (t-tests) and simultaneous tests (f-tests).

III. RESULTS AND DISCUSSION

A. Classical Assumption Test

1. Normality Test

The normality test aims to measure whether independent variables and the dependent variable in the regression model have a normal or near normal distribution. If this assumption is violated, the statistical test is invalid.

A variable is said to be normal if the image of the distribution of the data points is spread around the diagonal line, and the distribution of the data points is in the direction of following the diagonal line. (Ghozali, 2016). There

are two ways to determine whether the residuals are normally distributed or not, namely by graph analysis and statistical analysis. In this study, the normality test used P-Plot.

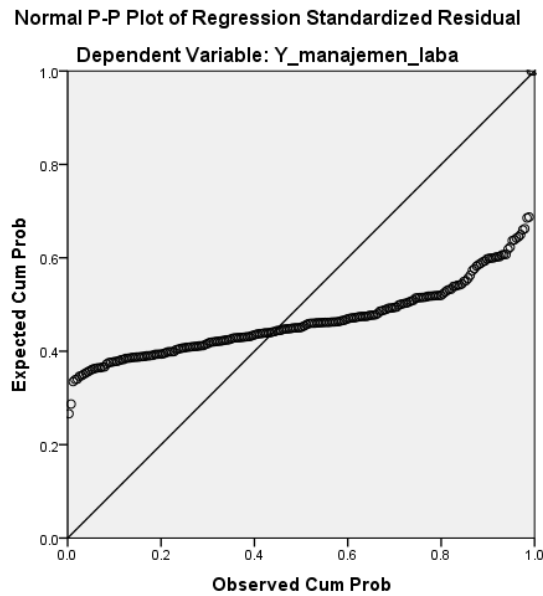


Figure 1. P-Plot Normality Test Results

Figure 5.1 shows that the research data has a normal distribution as it spreads around the diagonal line and the distribution does not move away from the diagonal line. This supports a normal distribution pattern, so the research can be continue.

2. Multicollinearity Test

The multicolonierity test aims to test whether the regression model finds a correlation between independent variables. To test for the presence or absence of multicollinearity, the value of the variance inflation factor (VIF) of each independent variable can be used. If the tolerance value ≥ 0.10 and the VIF value ≤ 10 , it can be concluded that the regression model is free from multicollinearity. The results of the multicollinearity test are shown in table 5.1 below

Tabel 1. Multicollinearity test results

		Coefficients ^a					Collinearity Statistics	
Model		Unstandardized Coefficients		Standardized Coefficients				
		B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1	(Constant)	.524	.223		2.349	.020		
	X1_managerial_ownership	-.050	.078	-.043	-.637	.525	.999	1.001
	X2_independent_commissioner	.032	.162	.013	.196	.845	.999	1.001
	X3_tax_planning	-.073	.244	-.020	-.298	.766	1.000	1.000

a. Dependent Variable: Y_profit management

Based on table 5.1 above, it can be seen that the multicollinearity test results show a tolerance value > 0.10 for all independent variables, and a VIF value < 10 for all variables, so the independent variables in the regression equation model do not have multicollinearity problems, so they can be used in research. And the tolerance value is more than 0.1, so there is no problem and the data can be used for research.

3. Autocorrelation Test

The autocorrelation test aims to determine whether there is a correlation between confounding variables in a given period and previous variables. Autocorrelation can be detected using the Durbin Watson (D.W) value compared to the D-W table (dl and du), the detection of the presence or absence of autocorrelation is done by looking:

- a. D-W less than 4 - dl < d < 4 then there is positive autocorrelation.
- b. D-W number above +2 (DW > +2) then there is negative autocorrelation.
- c. The D-W number is between dl < dw < 4 - dl then there is no autocorrelation.

The results of the autocorrelation test in this study are shown in table 5.2 as follows:

Tabel 2. Autocorrelation Test Results

<i>Model Summary^b</i>					
<i>Model</i>	<i>R</i>	<i>R Square</i>	<i>Adjusted R Square</i>	<i>Std. Error of the Estimate</i>	<i>Durbin-Watson</i>
<i>1</i>	<i>.049a</i>	<i>.002</i>	<i>-.011</i>	<i>.68962</i>	<i>.615</i>

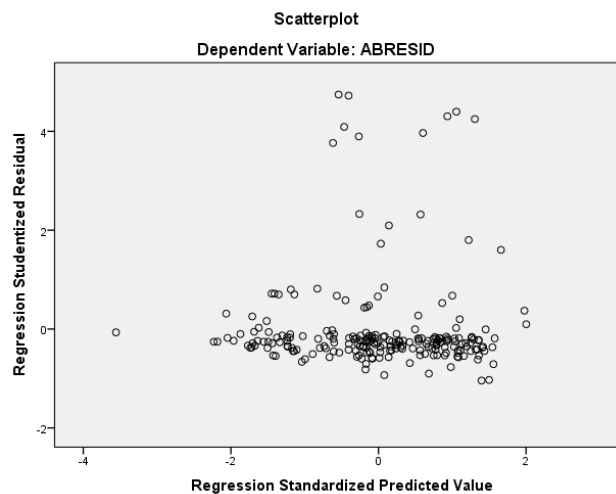
a. Predictors: (Constant), X3_tax planning, X2_independent commissioner, X1_managerial ownership

b. Dependent Variable: Y_profit management

Based on the display in table 5.2, the Durbin-Watson value is 2.006, which is between dl < dw < 4 - dl. Thus the regression model to be used does not have an autocorrelation problem.

4. Uji Heterokedastisitas

The heroscedasticity test is performed to test the difference in residual variance between one observation period and another. The presence or absence of heteroscedasticity can be seen by the presence or absence of certain patterns on the scatter plot. If there is a certain pattern, it indicates that heteroscedasticity has occurred. However, if there is no clear pattern and the dots are scattered above and below the number 0 on the Y axis, then there is no heteroscedasticity. (Ghozali, 2016). In this study, heteroscedasticity was tested using the Glejser method. The results of the heteroscedasticity are shown in Figure 5.2 below.



Gambar 2 Heteroscedasticity test results

The scatterplot above shows that the points are randomly distributed both above and below the number 0 on the Y axis. From this it can be concluded that there is no heteroscedasticity in the regression model, so the regression model is suitable for predicting the relationship between managerial ownership, independent commissioners, tax planning and profit management.

As well as using the scatterplot, the heteroscedasticity test can also use the Glejser method to ensure and confirm that the data are suitable to proceed to the next stage.

Tabel 3. Heteroscedasticity Test Results glejser method

<i>Coefficients^a</i>						
		<i>Unstandardized Coefficients</i>		<i>Standardized Coefficients</i>		
<i>Model</i>		<i>B</i>	<i>Std. Error</i>	<i>Beta</i>	<i>t</i>	<i>Sig.</i>
<i>1</i>	<i>(Constant)</i>	<i>.644</i>	<i>.162</i>		<i>3.983</i>	<i>.000</i>
	<i>X1_managerial_ownership</i>	<i>-.090</i>	<i>.057</i>	<i>-.107</i>	<i>-1.591</i>	<i>.113</i>
	<i>X2_commissioner_indepe</i>	<i>-.061</i>	<i>.117</i>	<i>-.035</i>	<i>-.519</i>	<i>.604</i>
	<i>ndent</i>					
	<i>X3_tax_planning</i>	<i>-.079</i>	<i>.177</i>	<i>-.030</i>	<i>-.448</i>	<i>.655</i>

a. Dependent Variable: ABRESID

Based on the test results using the Glesjer method in table 5.3, it can be seen that the value of the three independent variables has a significance value of more than 0.05. Therefore, it can be concluded that there is no heteroscedasticity problem in this study and the data is suitable for research.

5. Multiple Linear Regression Analysis Results

Multiple linear regression analysis is a linear relationship between the independent variables of managerial ownership, independent commissioners, tax planning, and the dependent variable profit management. This analysis aims to determine the relationship between each independent variable is positive or negative and to project the value of the dependent variable if the value of the independent variable increases or decreases. Data management using SPSS 21, produced the following results:

Tabel 4. Multiple Linear Regression Analysis Results

<i>Coefficients^a</i>						
		<i>Unstandardized Coefficients</i>		<i>Standardized Coefficients</i>		
<i>Model</i>		<i>B</i>	<i>Std. Error</i>	<i>Beta</i>	<i>t</i>	<i>Sig.</i>
<i>1</i>	<i>(Constant)</i>	<i>.524</i>	<i>.223</i>		<i>2.349</i>	<i>.020</i>
	<i>X1_managerial_ownership</i>	<i>-.050</i>	<i>.078</i>	<i>-.043</i>	<i>-.637</i>	<i>.525</i>

<i>X2_independent_commissioner</i>	.032	.162	.013	.196	.845
<i>X3_tax_planning</i>	-.073	.244	-.020	-.298	.766

a. Dependent Variable: Y_profit management

Based on the results of the multiple linear analysis in table 5.4, it can be seen that the multiple linear equation is as follows:

$$Y = 0.524 - 0.50 X1 + 0.032 X2 - 0.073 X3 - e$$

From the above regression equation, the conclusion of this study can be drawn as follows:

- The constant value (a) of 0.524 indicates that profit management in manufacturing companies listed on the Indonesia Stock Exchange (Y) will experience an additional profit of 0.524 if the managerial ownership variable (X1), independent commissioner (X2), tax planning (X3), is constant or 0 (zero).
- The regression coefficient value of the managerial ownership variable (X1) is -0.050 and has a negative sign, meaning that if (X1) decreases by one year, the additional profit is likely to decrease by -0.050 with the assumption that the X2, and X3 variables are constant.
- The regression coefficient value of the independent commissioner variable (X2) is 0.032 and has a positive sign, which means that if (X2) increases by one year, the company's profit will increase by 0.032 assuming variables X1, X3 are constant.
- The regression coefficient value of the tax planning variable (X3) is -0.073 and has a negative sign, which means that if (X3) decreases by one year, the addition of the company's laboratory will decrease by -0.073 assuming that the variables X1, X2 are constant.

6. Hypothesis Test

a. The t-test

The t-test aims to test whether each independent variable has a significant effect on the dependent variable sometimes with a significance level of less than <0.05.

Table 5. Partial t-test Results

		<i>Coefficients^a</i>				
		<i>Unstandardized Coefficients</i>		<i>Standardized Coefficients</i>		
<i>Model</i>		<i>B</i>	<i>Std. Error</i>	<i>Beta</i>	<i>t</i>	<i>Sig.</i>
1	<i>(Constant)</i>	1.919	.137		14.041	.000
	<i>X1</i>	-.300	.058	-.282	-5.172	.000
	<i>X2</i>	-.230	.125	-.099	-1.837	.068
	<i>X3</i>	-1.392	.161	-.473	-8.664	.000

a. Dependent Variable: Y_profit management

The results of the t-test results based on table 4.5 are as follows:

- The significance of managerial ownership (X1) of 0.00 the value obtained is less than <0.05, which means that managerial ownership has a partially significant effect on profit management.
- The significance of the independent commissioner of 0.06 > 0.05 means that the independent commissioner has a partially insignificant effect on profit management.
- The significance of tax planning is 0.00 < 0.05, which means that it has a partially significant effect on profit management.

b. F-test

The F-test is used to test whether all independent variables have a simultaneous effect on the dependent variable. The test is done using the F-test with a significance level used of less than <0.05. Below is a table of F-test results using SPSS 21:

Tabel 6. Hypothesis Test Results F Test

ANOVA ^a						
	<i>Model</i>	<i>Sum of Squares</i>	<i>df</i>	<i>Mean Square</i>	<i>F</i>	<i>Sig.</i>
<i>1</i>	<i>Regression</i>	<i>41.752</i>	<i>3</i>	<i>13.917</i>	<i>48.798</i>	<i>.000^b</i>
	<i>Residual</i>	<i>62.174</i>	<i>218</i>	<i>.285</i>		
	<i>Total</i>	<i>103.925</i>	<i>221</i>			

a. Dependent Variable: Y_profit_management

b. Predictors: (Constant), X3, X1, X2

Based on the results of the F-test in table 4.8, it can be seen that the significance value of F is 0.000 <0.05. It can be concluded that all independent variables (managerial ownership, independent commissioners, tax planning) simultaneously (together) affect the dependent variable profit management.

B. Result Interpretation and Discussion

1. The Effect of Managerial Ownership Variables on Profit management

The results of this study indicate that the variable of managerial ownership has an effect on profit management. This can be seen from the t test results of 0.00 <0.05, which means that managerial ownership has a significant effect on profit management, and the t value shows - 5.172, which means that managerial ownership has a negative effect on profit management, where the higher the managerial ownership, the lower the profit management, otherwise if the lower the managerial ownership, the higher the profit management.

This is in line with research conducted by Agosto & Sandra (2021) there is an influence between managerial ownership on profit management, where there are interests between company management as decision makers and shareholders as owners of the company. Then the average number of shares owned by the manager shows a small amount and this illustrates the high risk of the manager as a shareholder limited to the number of shares owned. In the worst case, if the company goes bankrupt, the manager will only bear the risk of the number of shares he owns. (Kusumaningtyas, 2015). When managers own a smaller proportion of the company's shares, they have a greater incentive to pursue self-interest benefits and less incentive to maximize profit management (Sulong & Nor, 2008).

2. The Effect of Independent Commissioner Variables on Profit management

The independent commissioner variable has a significance level of 0.06 with a significance value greater than 0.05. This proves that independent commissioners do not have a significant effect on profit management. The result of the t-test is -1.837 indicating that the higher the activity of independent commissioners, the higher the profit management.

This is in line with the research conducted by Prasanti & Jannah (2022) on the lack of effect of the size of the independent board of commissioners on profit management practices. These findings are also consistent with research conducted by Nanda & Somantri (2020) on the lack of influence of independent commissioners on profit management. This proves that the independent board of commissioners has little effect on the decisions made by the company, especially regarding profit management. The reason may be that the independent commissioners appointed by the company do not have sufficient skills and abilities, and are only limited to fulfilling the company's obligation to comply with the rules set by the Indonesia Stock Exchange.

3. The Effect of Tax Planning Variables on Profit management

Tax planning has a significance level of 0.00 with a significance value below 0.05. This indicates that the variable tax planning has a significant effect on the dependent variable, profit management, because the

significance level of the variable tax planning is below the significant value of 0.05. This indicates that hypothesis 3 is accepted or the null hypothesis is rejected. The coefficient value of -8.664 indicates that the higher the tax planning activities carried out by the company, the higher the profit obtained by the company.

This is consistent with the research conducted by Somodung (2019), which discusses the impact of tax planning on profit management practices. These findings are also consistent with the research conducted by D. S. A. Lestari et al. (2018) which discusses the impact of tax planning on profit management practices of manufacturing companies listed on the Indonesia Stock Exchange. This may be due to tax planning carried out by companies with the aim of saving on tax payments (D. S. A. Lestari et al., 2018). Profit management efforts may start with the implementation of tax planning by companies. In order to save on taxes to be paid, the likelihood of engaging in profit management practices increases.

4. The Effect of Managerial Ownership Variables, Independent Commissioners, Tax Planning on Profit management

The results of this study indicate that the variables of managerial ownership, independent commissioners, and tax planning have a simultaneous effect on profit management. This can be seen from the results of the F-test, where the significance value is $0.000 < 0.05$. Thus, when the variables of managerial ownership (X1), independent commissioners (X2), and tax planning (X3) are taken together, they have a significant effect on profit management.

IV. CONCLUSION

A. Conclusion

1. The test results for the first hypothesis (H1) indicate that managerial ownership affects profit management.
2. The test results for the second hypothesis (H2) indicate that independent commissioners have no effect on profit management.
3. The test results for the third hypothesis (H3) indicate that tax planning affects profit management.
4. The test results for the fourth hypothesis (H4) indicate that managerial ownership, independent commissioners and tax planning simultaneously affect profit management.

B. Suggestion

Considering the inclusion of other variables that have not been used in current and previous studies can contribute significantly to broadening and improving research in various areas. This approach can lead to a more comprehensive understanding of the subject matter and provide more nuanced insights.

C. Limitations

Some of the limitations that may occur during the preparation of the research, includes:

1. This research used too many samples, as it used all manufacturing companies listed on the Indonesia Stock Exchange.

REFERENCES

