

ANALYSIS OF FACTORS AFFECTING PROFIT MANAGEMENT IN PROPERTY COMPANIES

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Abstract

This study aims to determine the effect of Finance Leverage, Return on Assets, Net Profit Margin, Company Size on Management in Property Companies listed on Bursa Efek Indonesia 2017-2019. The data used is sourced from annual data via the www.idx.co.id website, which has been selected based on predetermined criteria. The population used in this company is all property companies, totaling 15 companies, using a purposive sample of 45 samples. This research is expected to become a science that can help further researchers and can also help students or the general public who need information from this research. From this research, it can be seen that Finance Leverage and partially old management have no influence on Return.On in Property Companies, while Net Profit Margin and Company Size partially affect Profit Management in Property Companies.

Keywords: Finance Leverage (FL), Return On Asset (ROA), Net Profit Margin (NPM), Company Size (UP)



INTRODUCTION

Getting a high profit is a management goal to be achieved, so that management gets a bonus because the more profit earned, the greater the bonus given by the company to the management as a direct organizer. An earnings information on the other hand can help owners (stakeholders) and investors in calculating earning power (earnings power) to direct risk in investment and credit. Profit information is very important for management because its performance will be measured by the achievement of profits. In this case it is possible for managers to do subversive things in conveying and presenting earnings information which is called earnings management practices (Austik & Mildawati, 2016).

Managers or financial statement preparers can carry out earnings management because a company needs the benefits of the actions they take. From earnings management, it will provide an overview of the behavior of a manager in reporting a business activity in certain periods, namely with the possibility that they have certain motivations to manage financial data. Earnings management can also be referred to as an action to take advantage of accounting tricks which get the opportunity to prepare financial reports for the benefit of managers who are meeting profit targets (Agustina et al, 2018). (Sumomba and Hutomo, 2012) reveal that earnings that reflect sustainable earnings in the future are quality earnings because they are determined from the accrual and cash components that describe the actual financial performance of a company. The better the quality of the company's earnings, the more interested

investors are to invest their shares in the company.

Finance Leverage is one of the factors that affect earnings management, because leverage is a company's level of ability to use assets that can be calculated through the use of debt because if you use more debt than capital, the company will bear more burdens which will cause the company's income to decrease.

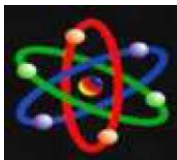
Another parameter that is a factor in influencing earnings management is called Return On Assets, which means measuring the ratio of the company's ability to earn profits/profits by obtaining net profits as measured by the level of income. Because if the resulting ratio is higher, the company's performance is getting better because it is considered more successful in obtaining a return on asset management owned.

The component that affects earnings management is the size of the company because the size of the company represents the performance and assets of the company, when the value of the company's assets decreases, profits also decrease, which will have a bad impact on the financing structure.

NetiProfitiMargin is a ratio for measuring profit that compares profit and sales after deducting interest and taxes. This ratio is very important in earnings management because if the company's profitability is good and increases, then more investors will invest in companies that make the company's financial condition better.

C od e s	Y e ar s	Loan EA T	Sellin g	Asset	Laba bersih
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A	2	17.29	1.88	7.043	0	28.79	0	1.371.
P	0	3.138	82.1	.036.	2	0.116	1	638.5
L	1	.	5	6	.	4	53	
N	7							
		465	.40					
			0					
	2	17.37	193	5.035	2	29.58	9	29.55
	0	6.276	730	.325.	9	3.829	0	7.039
	1			4	.	4		
	8	.42						
		5	29					
			2					
	2	16.62	120	3.792	0	29.46	0	135.79
	0	4.399.	811	.475.	7	0.345	8	9.572
	1			6	.	0		
	9							
		47	67					
		0	9					
M	2	7.52	614	3.083	3	14.59	3	614.7
D	0	2.21	773	.280.	7.	9.669	3	73.60
L	1	1		6	.	7	8.	
N	7							
		.606.	.04	693	.	.351	046	
		109	6					
	2	8.37	25.	2.003	3	15.22	9	25.265.8
	0	9.68	265	.942.	8.	7.479	8	63.861
	1	0		4	.	2		
	8							
		.558.	863.	159	.	.230		
		019	861					
	2	8.87	409.	2.233	4	16.12	8	409.602
	0	5.08	602.	.597.	7.	5.557	6	777.
	1	6		9	.	7		
	9							
		.191.	777.					
		890	858	071	.	.483		
G	2	524.	188	84.98		7.200	8	190.403
W	0	360.	500	5.760.		.861.	3	753.
S	1			7		3		
A	7			0				
		986.	432	0		403		
		056	.09	5				
			6					
	2	587.	210	134.4	2	7.491	2	212.249
	0	490.	570	13.00		.033.	5.	033.
	1			0		8		
	8			0				
		070.	439	8				
		576	.09	0		272		
			6					

	2	580.	126	87.82		7.601	2	127.6
	0	184.	542	4.837		.642.	0.	82.66
	1			.		8		1.
	9							
		785.	082					
		916	.91	112		703		433
			5					
D	2	2.24	648	1.718	2	10.57	6	533.3
U	0	0.81	646	.746.	8.	5.681	8	08.85
TI	1	9.		7	.	6	6	
	7							
			197					
		998.	.97	686		285		527
		834	9					
	2	3.22	1.15	2.225	3	12.64		911.492
	0	7.96	26.7.	.704.	0	2.895.		.519.
	1	7.	6	5				
	8							
		940.	230	841		738.		4
		583	.11			823		6
			0					0
	2	3.19	1.26	2.459	0	13.78		1.102.85
	0	7.45	89.2	.812.	2	8.227.		3.913
	1	7.	9	4				
	9							
						459.		3
						960		2
		277.	965	375				8
		140	.31					
			5					

Table 1. Research Phenomenon

Based on the table above, the Variable Finance Leverage where one of the indicators used as a phenomenon is PT. Agung Podomoro Land Tbk. Namely, the amount of debt to APLN companies in 2018-2019 decreased by Rp. 751,876,955, However, the value of net profit in 2018 to 2019 has developed. Thus there is a phenomenon that occurs because the decrease in debt does not affect net income.

In the Variable Return On Assets where one of the indicators used as a phenomenon is PT. Modernland Realty Tbk. In MDLN companies, the net profit





after tax in 2018-2019 increased by Rp. 384,336,913. However, the net profit value in 2018 to 2019 also increased. Thus there is a phenomenon that occurs because ROA affects earnings management.

In the Variable Net Profit Margin where one of the indicators used as a phenomenon is PT. Greenwood Sejahtera Tbk. At the GWSA company, sales in 2017-2018 increased by Rp. 49,427,241,275, However, the value of net profit in 2017 to 2018 also experienced development. Thus there is a phenomenon that occurs because NPM affects earnings management.

In the Firm Size Variable where one of the indicators used as a phenomenon is PT. Duta Pertiwi Tbk. In the DUTI company, assets in 2018-2019 increased by Rp. 1,145,331,721,137, but net profit in 2018-2019 has increased. Thus there is a phenomenon that occurs because the increase in assets affects earnings management.

RESEARCH METHODS

This research uses descriptive and quantitative methods in purposive sampling to examine taking samples from the population.

Sugiyono said (2018: 80), population is a location consisting of generalizations consisting of objects/subjects that have certain qualities and characteristics that are determined by researchers to analyze and then draw conclusions. The population in this study amounted to 38 companies listed on the Indonesia Stock Exchange in 2017-2019.

Sugiyono said (2018: 81), the sample is part of every number and character possessed by the population. The sample

used in this study is the purposive sampling method. The criteria for selecting the sample are as follows:

No.	Description	Total
1	The number of property companies that listed on the Indonesia Stock Exchange	38
2.	The company does not have a positive profit	10
3.	Amount. companies that do not have complete data	13
Number of samples.		15
Number of observations = 15 x 3		45

Table 2. Selection Sample

Data collection is a method of making notes made according to the method of collecting financial statements and other data required based on the previous explanation. Meanwhile, supporting data were collected through research methodologies, scientific journal libraries and literature. discussion related to this research.

Data Analysis Model

$$Y = ia + \beta_1x_1 + \beta_2x_2 + \beta_3x_3 + \beta_4x_4 + e...$$

Where :

Y	= manajemen laba
a	= konstanta
$\beta_1 \beta_2 \beta_3$	= koefisien regresi
X1	= FL
X2	= NPM
X3	= ROA





X4	= UP
e	= Standart Error

Table 3. Data Analysis Model

RESULTS AND DISCUSSION

Below is the general statistical data of the entire research sample data at property companies on the IDX in 2017 – 2019.

	N	Minimu m	Maximu m	Mean	Std. Deviation
FL	4 5	.138	.883	.41549	.175626
ROA	4 5	.975	9.153	4.2113 9	2.56561 0
NPM	4 5	.046	1.868	.97116	.455121
UP	4 5	-.991	3.604	.91732	1.50441 1
MANAJEM EN LABA	4 5	.189	.456	.12739	.109786
Valid N (listwise)	4 5				

Table 4. Descriptives Statistics

From 45 samples of Finance Leverage data with a minimum value of 1.38 and a maximum value of 8.83, while the average (mean) obtained is 0.41549 with a standard deviation of 0.175626.

From 45 samples of Return On Assets data with a minimum value of 9.75 and a maximum value of 9.153, while the average (mean) obtained is 4.21139 with a standard deviation of 2.565610

From 45 samples of Net Profit Margin data with a minimum value of 0.46 and a maximum value of 1.868, while the average (mean) obtained is 0.97116 with a standard deviation of 0.455121

From 45 samples of firm size data with a minimum value of 9.91 and a maximum

value of 3.604, while the average (mean) obtained is 0.91732 with a standard deviation of 1.504411

From 45 samples of Earnings Management data with a minimum value of 1.89 and a maximum value of 0.456, while the average (mean) obtained is 0.91732 with a standard deviation of 0.109786.

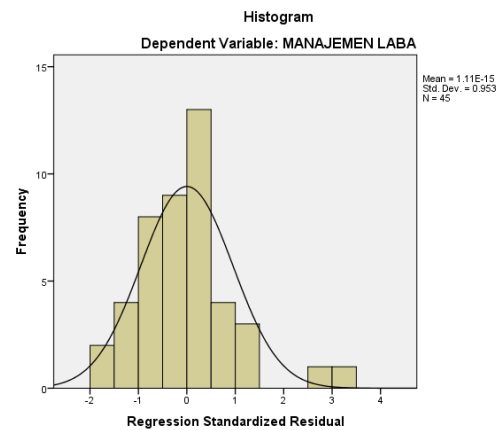


Figure 1. Graph Analysis Test Normality

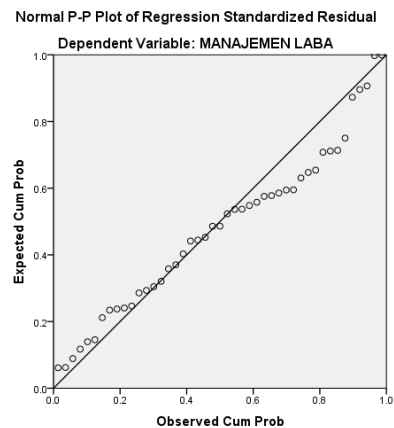


Figure 2. P.Plot Normality

		Unstandardized Residual
N		45
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	.07356445





Most Extreme Differences	Absolute	.144
	Positive	.144
	Negative	-.068
Test Statistic		.144
Asymp. Sig. (2-tailed)		.020

- a. Test distribution is Normal.
- b. Calculated from data.
- c. Lilliefors Significance Correction.

Table 5. One-Sample Kolmogorov-Smirnov Test

The table above shows the value of asymp . Sig (2-tailed) is 0.020 which means value. Sigi (2-tailed) is overcome by a significant value of 5% (0.05), it can be said that the residual variable is normally distributed. Based on histogram graph analysis, normal probability plot and Kolmogorov – Smirnov non-parametric statistical test which shows a normal distribution. So it can be concluded that the regression equation model has fulfilled the assumption of normality.

Model	Collinearity Statistics		
	Tolerance	VIF	
1	FL	.747	1.339
	ROA	.643	1.556
	NPM	.656	1.525
	UP	.853	1.172

Dependent Variable: MANAJEMEN LABA

Table 6. Multicolinerias

Based on the table above, the tolerance value for all independent variables is above 0.10, which is 0.747 for iFL as X1, 0.643 for ROA as X2, 0.656 for iNPM as X3 and 0.853 for UP as X4. Meanwhile, the value of iVIF between the variables

X1, X2, X2 and X4 is below 10. So it can be concluded based on the tolerance and VIF values that in this study there is no multicollinearity.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.742 ^a	.551	.506	.077155	1.488

- a. Predictors: (Constant), UP, ROA, FL, NPM
- b. Dependent Variable: MANAJEMEN LABA

Table 7. Autocorrelation

Based on the table above, it can be seen that the D-W value is 1.488. This value will be compared with the D-W table value using a significant value of 0.05 with n = 45 and k = 4.

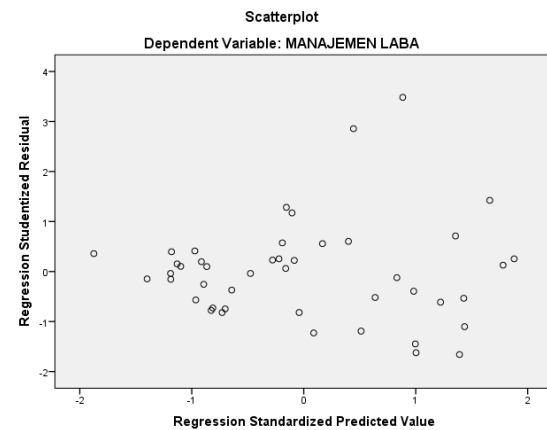
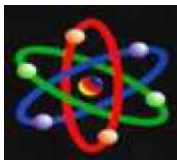


Figure 3. Heteroscedasticity

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	-.029	.052		-.561	.578
FL	-.040	.077	-.063	-.517	.608
ROA	.005	.006	.109	.825	.41





					4
NPM	.153	.032	.635	4.856	.050
UP	.005	.008	.069	.598	.553

a. Dependent Variable: MANAJEMEN LABA

Table 8. Glejser Test

From the table above, it can be seen that the significant value of FL 0.578 > 0.05, ROA 0.608 > 0.05, NPM 0.050 > 0.05 and UP 0.553 > 0.05, meaning that in this study the regression model did not experience heteroscedasticity problems. Equation for multiple linear regression in this study is obtained as follows:

$$Y = a + b1X1 + b2X2 + b3X3 + b4X4 + e$$

$$Y = 0.029 + 0.040 + 0.005 - 0.153 - 0.005 + e$$

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.742 ^a	.551	.506	.077155	1.488

Table 8. Determinant Coefficient

This regression or variable. Based on the output of the table above, it is known that Rsquare is 0.551, this means that X1, X2, X3, and X4 have an effect on the Y variable worth 55.3%. While the remaining 44.7% is influenced by other variables outside the equation that are not examined.

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	.292	4	.073	12.272	.000 ^b
Residual	.238	40	.006		
Total	.530	44			

a. Dependent Variable: MANAJEMEN LABA

b. Predictors: (Constant), UP, ROA, FL, NPM

Table 9. F. Test

From the table above, it can be seen from the significant value of 0.000 < 0.05. And obtained the value of iFcount worth 12,272 using table F is n - k = 45 - 4 obtained a value of 2.61. That is, 12,272 > , so it can be concluded that Finance Leverage, Return on Assets, iNet Profit Margin, Company Size have a simultaneous effect on Earning Management in property companies listed on the IDX in 2017-2019.

Model	Coefficients ^a		Standardized Coefficients	T	Sig.
	Unstandardized Coefficients	Std. Error			
1 (Constant)					
	-0.029	.052		.561	.78
FL	-.040	.077	-.063	.517	.08
ROA	.005	.006	.109	.825	.414
NPM	.153	.032	.635	4.856	.031
UP	.005	.008	.069	.598	.03

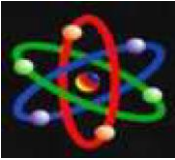
a. Dependent Variable: MANAJEMEN LABA

Table 10. T Test

Based on the table above, the results of the t-test test are as follows:

1. Partially, the t-test for FL on Earnings Management is the arithmetic value of 0.517 while the table value of 2.021. So that 0.517 < 2.021 with a significant value of 0.608 > 0.05, then partially Finance





Leverage has no significant effect on earnings management. i

2. Partially the t-test for ROA on Earnings Management is the t-count value of 0.825 while the t-table value is 2.021. So $0.825 < 2.021$ with a significant value of $0.414 > 0.05$, then partially Return on Assets does not significantly affect earnings management.

3. Partially, the t-test for NPM on Earnings Management is the t-count value of 4.856, while the t-test value of the table is 2.021. So that $4.856 < 2.021$ with a significant value of $0.031 < 0.05$, then partially net profit margin has a significant effect on earnings management.

4. Partially the t-test for UP on Earnings Management is the t-count value of 0.598 while the t-table value is 2.021. Then $0.598 < 2.021$ with a significant value of $0.03 < 0.05$, then partially firm size has a significant effect on earnings management.

The results of this research show that FL partially has a positive and significant effect on earnings management in property companies listed on the IDX in 2017-2019.

This result means that the higher the leverage ratio of a company, the more it supports the motivation of a company manager in carrying out earnings management. The results of this study are in line with Pahmi (2018).

The results of this study are supported by previous research conducted by Irawan (2013), Naftalia & Marsono (2013) which argues that this is in accordance with signaling theory, which states that it is necessary to convey information to external parties, such as creditors, so that these parties can assess the company's prospects by looking at the company's

prospects. the company's ability to meet its obligations.

The results of this study state that fROA cannot be supported and has a positive effect on earnings management in property companies on the 2017-2019 Stock Exchange.

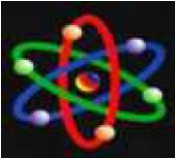
The results of this study state that FROA does not increase the opportunistic motivation of managers in carrying out earnings management, possibly because the company's performance has been in line with the targets set so that management does not feel the need to carry out earnings management. So the increase in the company's ROA number has no effect on the tendency of management to carry out earnings management, this is in line with research by Aji and Mita (2010).

In this research partially NPM has a significant effect on earnings management in property companies. The higher the NPM ratio of a company means that the company has a good performance, so the manager will be opportunistic by implementing earnings management, this makes the reported accounting profit according to his will.

The results of this study are consistent with previous research, Naharf and Erawatif (2017) explain that the higher the NPM indicates that the company's performance is getting better, therefore the company carries out earnings management practices so that the company's performance looks good.

In this study partially the size of the company cannot be supported and has a positive effect on earnings management. This proves that the size of the company





can not fully indicate the implementation of earnings management.

The results of this study are in line with research conducted by Gunawan, et al (2015) which stated that small and large companies have the same opportunity to carry out earnings management. Even relatively large companies will be known through their performance in public, so these companies will report their financial condition more carefully, shows more informativeness of the information contained in it, and is more open. Therefore, it is likely that the larger the size of the company, the less likely it is to carry out earnings management practices.

CONCLUSION

Partially Financial Leverage has no effect on Management. Profits in the Company. Property listed on the Indonesia Stock Exchange from 2017 to 2019 with a significant value of $0.608 > 0.05$. Partially Return On Assets has no effect on Earnings Management in Property Companies listed on the Indonesia Stock Exchange from 2017 to 2019 with a significant value of $0.414 > 0.05$. Partially Net Margin Profile has an effect on Earnings Management in Property Companies listed on the Indonesia Stock Exchange from 2017 to 2019 with a significant value of $0.031 < 0.05$. Partially, earnings management is very influential on the size of the company in the Property Companies listed on the Indonesia Stock Exchange in 2017 to 2019 using a significant value of $0.03 < 0.05$.

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