

Factors Influencing Company Performance

Alya Dewi

Universitas Trisakti, Indonesia

Email: alyadewii206@gmail.com

Etty Murwaningsari*

Universitas Trisakti, Indonesia

e-mail: etty.murwaningsari@trisakti.ac.id

Article Info	Abstract
<i>Keywords:</i> ○ <i>Company Performance</i> ○ <i>Earnings Quality</i> ○ <i>Real Earnings Management</i> ○ <i>Information Asymmetry</i>	Purpose - This study intends to investigate and collect empirical evidence concerning the factors that influence the company performance, namely earnings quality, real earnings management, and information asymmetry. Design/methodology/approach - The study utilized a sample of 79 non-cyclical consumer sector companies that were listed on the Indonesian Stock Exchange during the years 2021 and 2022. The total sample size was 158. This study utilizes panel data analysis. Findings - Real earnings management adversely affects company performance. Company performance is not significantly affected by the quality of earnings and information asymmetry. Research limitations/implications - This study exclusively employed a subset of non-cyclical consumer sector companies that are registered on the Indonesia Stock Exchange, thereby limiting its generalizability.
Article History	
Received: 12 - 06 - 2024 Revised: 20 - 06 - 2024 Published: 23 - 08 - 2024 *corresponding author	

INTRODUCTION

The company's performance reflects the company's ability to achieve its goals through measures according to the company's standards to achieve maximum profits. Companies listed on the IDX must improve their performance to maintain the trust of shareholders and the public as funders. Profit is an important component in financial statements that is a benchmark of company performance and important for external parties in evaluating management and estimating future profits. According to Risdawaty & Subowo (2015), quality profits are generated by entities that consistently reflect the current performance of the company, which is important for investors, creditors, and financial analysts.

Technology and globalization add to the pressure for companies to maintain stable growth and achieve financial targets, encourage aggressive profit management practices and create information asymmetry. The situation highlights aggressive labor management practices in Indonesia, where companies use various methods to control labor costs. One such case is PT Garuda Indonesia (Persero) Tbk, which worked with PT Mahata Aero Teknologi for specific services in training and training. The contract was completed over 15 years, but the

company paid \$239.94 per year, with \$28 from PT. Sriwijaya Air, and the contract did not have clear payment terms.

Research by Marinda Machdar et al. (2017), Saleh et al. (2020), and Duarte et al. (2022) showed that profit quality had a positive influence on company performance, while real profit management was found to have a negative impact by Marinda Machdar et al. (2017) and Dakhallh et al. (2020). However, other studies such as Khuong et al. (2019), Fury Adryanti (2019) and (Putri et al., 2020) show a positive influence on real profit management. Research by Lahjie et al. (2022) and Herusetya & Lawu (2022) indicates the negative influence of information asymmetry on company performance. This study focuses on non-cyclical consumer sector companies on the IDX in 2021 and 2022 with additional control variables such as company size and leverage. This study aims to find out what factors affect the company's performance.

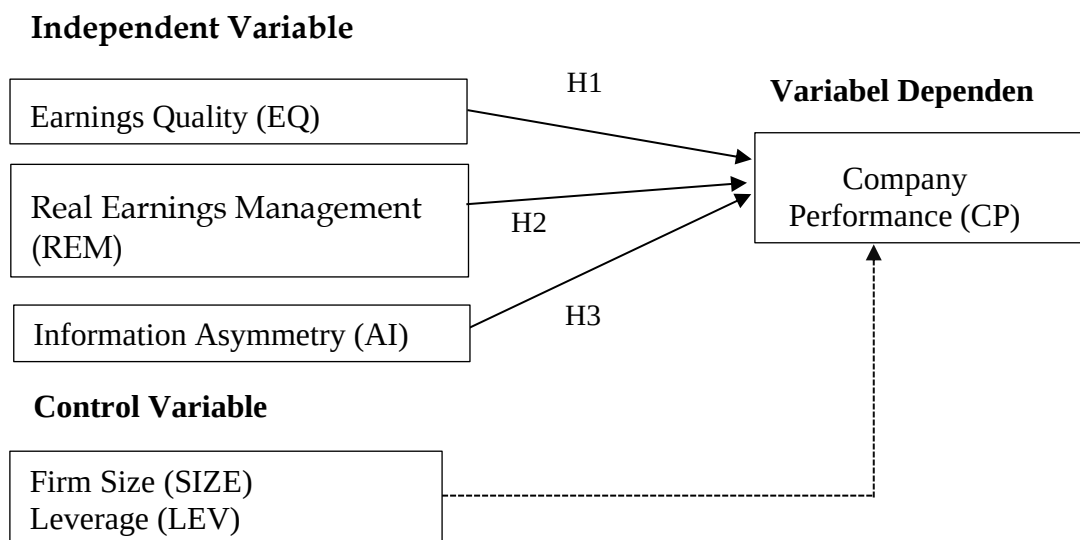


Figure 1. Framework

LITERATUR REVIEW

Agency Theory

The theory of agency depicts a conflict between management as agents and owners as principals. The principal demands accountability from the agent to assess management performance. Jensen & Meckling (1976) describe the agency relationship in terms of its definition as a contractual arrangement in which the principal assigns responsibilities to an agent for the purpose of executing operations. In this situation, the agent is granted authority to make decisions. According to Berle & Gardiner C (1932), in agency theory, shareholders as principals request managers as agents to maximize profits for them. Both parties are assumed to be rational and influenced by personal interests. The separation between management and ownership often leads to conflicts known as agency problems. Jensen & Meckling (1976) emphasize conflicts of interest and information asymmetry as the primary sources of agency problems, when the agent possesses more information and may act in their own self-interest.

The agency theory argues that reducing information asymmetry can decrease conflicts and enhance the caliber of earnings that reported (Paramita et al., 2023). It has been stated in the research that was carried out by Untari (2016) that practices of earnings management that are not aligned with the core objectives of the company can be reduced through the management of information asymmetry.

Stakeholders Theory

The stakeholder theory examines the dynamic relationship amongst company and company's stakeholders (Fernando & Lawrence (2014), and explains that organizations have a responsibility to the various parties involved in their success, not just to shareholders. Stakeholders include employees, customers, suppliers, creditors, communities, and governments. Stakeholder, according to Freeman (1984), is a group or individual that has an interest. Stakeholders might be impacted by the attainment of the entity's objectives. Mitchell et al. (1997) stated that stakeholders who have rights or interests in an organization (claims), ability to influence the organization (power), recognized by the organization and other parties (legitimation), as well as urgent claims (urgensi). Stakeholder theory emphasizes that corporate management has a moral obligation to meet the expectations of stakeholders, including shareholders, creditors, employees, and customers. In an effort to meet the expectations of these stakeholders, management often engages in profit management practices. Profit management is something that deviates from corporate operating habits. It's motivated by the desire to deceive the authorities so they believe that the company's goals have been achieved (Roychowdhury, 2006).

Signaling Theory

The signaling theory describes how an individual or organization as a principal sends a signal to another party, in this case an agent, to show a quality or information. These signals can be actions, words, or symbols that indicate credibility, commitment, or ability of the principal. Spence (1973) defines signaling as the process by which individuals with better (principal) personal information try to inform other individuals (agents) about such information. High-quality companies give signals to the market to help them distinguish between good and bad companies (Yoga, 2010). An announcement of accounting information shows bright prospects for the future, where high profits can accurately describe the performance of the company (Demerjian et al., 2013) and provide information relevant to certain decisions. (Dechow et al., 2010). Transmitting a signal can change an individual's beliefs or give information to another party. Signaling theory is also related to information asymmetry. As part of an organization, management has more information than people who come from outside the company. (Karnawati, 2018). Therefore, efforts are needed to improve the understanding of capital market participants of the importance of financial reporting information.

Company Performance

Company performance is a complex concept with various definitions and interpretations. According to Rangkuti (2008), company performance is the results achieved

during a certain period, measured by various financial and non-financial indicators. Anthony & Govindarajan (2005) stated that performance measurement aims to help companies evaluate the effectiveness of strategies and programs, identify areas for improvement, motivate employees to achieve targets, and increase accountability and transparency within the organization.

Earnings Quality

The quality of earnings is determined by Hodge (2003) as how reported net profit accurately reflects of the actual income, without any distortion or bias. Earnings quality is an assessment of a corporate's capacity to consistently generate earnings, maintain control over profits, and meet bank loan requirements (Nuraeni et al., 2018).

Real Earnings Management

Real earnings management is the deliberate actions taken by management that vary from regular business activity in order to meet specific profit targets (Roychowdhury, 2006). Cohen & Zarowin (2010) stated that real profit management also means a violation of normal operational activities to mislead stakeholders and achieve certain goals. This manipulation can be carried out through the company's accounting, spending, investment, and operational policies to influence the financial information provided to stakeholders.

Information Asymmetry

Financial statements are made to assess the ability of management to manage organizational resources, but there are often obstacles due to the information imbalance between principals and agents, which is called information asymmetry. When one of the parties involved in a transaction possesses more information and knowledge than the other, this is this is a situation where information asymmetry occurs. This can lead to inefficiencies in the market and potential unfair profits for companies (Akoum & Dridi, 2020).

The Influence of Earnings Quality on Company Performance

The agency theory posits that managers' opportunistic conduct can be regulated by the provision of high-quality financial information. Research by Marinda Machdar et al. (2017) showed that the quality of profit positively affects the performance of the company. Saleh et al. (2020) found that the high quality of profit improved the performance of industrial public enterprises in Jordan. Duarte et al. (2022) also emphasized that the quality of profits is an important concern for managers as it can have a beneficial effect on the overall performance of a company, especially in relation to the accrual quality. The high quality of profits reflects the high performance of the company (Li, 2014), providing relevant information for the purpose of decision-making by stakeholders (Dechow et al., 2010). Syahzuni & Sari (2022) demonstrated that the quality of earnings has a favorable influence on the financial success of the company. High profit quality is essential for evaluation, prediction, and performance assessment, as well as having a strong ability to predict future profits. Based on this, the first hypothesis put forward is:

H1: The quality of profit has a positive influence on the performance of the company.

The Influence of Real Earnings Management on Company Performance

According to agency theory, managers have incentives to maximize their own profits, which may not align with the owner's goal of maximizing the company's value. Real earnings management can be utilized by managers to enhance bonuses or demonstrate superior performance to investors. This aligns with the signaling theory, which posits that companies want to provide positive information as a good signal to stakeholders. Real earnings management is frequently employed to enhance legitimacy by demonstrating strong performance to stakeholders, in accordance with stakeholder theory which emphasizes the management's moral obligation to meet stakeholders' expectations. The study conducted by Marinda Machdar et al. (2017) demonstrates that real earnings management has a negative impact on firm performance, consistent with the findings of Dakhllalh et al. (2020) who also indicate the negative effects of real earnings management on company performance. Real earnings management is an unsustainable practice that can have a significant negative impact on a company's financial performance. Based on this, the second hypothesis proposed is:

H2: Real Earnings Management has a negative impact on Company Performance

The Influence of Information Asymmetry on Company Performance

The agency theory explain the existence of divergent interests between managers as agents and shareholders as principals, resulting in agency costs and information asymmetry. Due to the broader information held by company management compared to shareholders, there is an information gap within the company and among investors. Companies with low transparency tend to have a high level of information asymmetry (Herusetya & Lawu, 2022). The study conducted by Lahjie et al. (2022) revealed that information asymmetry has a significant negative impact on a company's financial performance, consistent with findings that demonstrate the adverse effects of information asymmetry on company performance. Investors in the capital market act rationally in response to investment risks, particularly due to the lack of financial information clarity. The perceived information imbalance increases the bid-ask spread and decreases trading volume in the capital market (Herusetya & Lawu, 2022). Based on this, the third hypothesis proposed is:

H3: Information Asymmetry has a negative impact on Company Performance

RESEARCH METHOD

This study aims to evaluate and collect empirical data on factors that influence company performance, including earnings quality, real earnings management, and information asymmetry. This study utilizes quantitative data. This study utilizes quantitative data. Quantitative secondary data is derived from the annual reports and business sustainability reports of non-cyclical consumer sector companies listed on the Indonesia Stock Exchange in 2021 and 2022. This study analyzed 158 samples from these companies. This study employs three variables, namely dependent, independent, and control variables. The dependent variable is the company's performance, while the independent factors include earnings quality, real earnings management, and information asymmetry. The size and strength of a company are controlled factors. Purposive sampling is employed for sample selection, whereas panel data regression is utilized for analysis.

Table 1. Measurement tools and sources

Concept	Variable	Alat Ukur	Sumber
Dependent	Company Performance	$RoA = \frac{\text{Net Income}}{\text{Total Assets}}$	Duarte et al. (2022)
Independent	Earnings Quality	$OCF \text{ to TA} = \frac{\text{Cash Flow from Operation}}{\text{Total Assets}}$ $NI \text{ to TA} = \frac{\text{Net Income}}{\text{Total Assets}}$ $EQ = \frac{OCF \text{ to TA}}{NI \text{ to TA}}$	Saleh et al. (2020)
	Real Earnings Management	$\frac{CFO_{it}}{A_{it} - 1} = \alpha_0 + \alpha_1 \left(\frac{1}{A_{it} - 1} \right) + \alpha_2 \left(\frac{Sit}{A_{it} - 1} \right) + \alpha_3 \left(\frac{\Delta Sit}{A_{it} - 1} \right) + \epsilon_t$	Dakhlallah et al. (2020)
	Information Asymmetry	$\frac{Ask \ it - Bid \ it}{(Ask \ it + Bid \ it)/2} \times 100\%$	Marinda Machdar et al. (2017)
Kontrol	Company Size	$Ln (Total \ Assets)$	Rachmawati (2019)
	Leverage	$\frac{\text{Total Debt}}{\text{Total Assets}}$	Malau & Murwaningsari (2018)

RESULTS

Descriptive Statistics

Descriptive statistics is a method used to understand and explain data through key values such as mean, standard deviation, variance, minimum and maximum values, total sum, range, kurtosis, and slope of the data (Ghozali, 2018). The subsequent findings of the conducted descriptive analysis in this study are as follows:

Table 2. Descriptive Statistical Analysis Test Results

Variable	n	Mean	Maximum	Minimum	Std. Dev.
CP	158	0,047	0,342	-0,315	0,099
EQ	158	14,174	2302,035	-214,093	184,038
REM	158	0,052	1,007	-2,702	0,717
IA	158	3,451	22,900	0,000	3,425
SIZE	158	0,517	2,311	0,097	0,291
LEV	158	28,539	32,826	19,949	2,162

Source: Data processed (EViews 12)

Note: CP = Company Performance, EQ= Earnings Quality, REM = Real Earnings Management, IA= Information Asymmetry, SIZE = Firm Size, LEV= Leverage

The dependent variable being measured in this study is the performance of the company. The company's performance in this study indicates a minimal value of -0.315. The company's performance has a standard deviation value of 0.099 and a mean value of 0.047. The value indicates that the data dispersion for the dependent variable of company performance is classified as heterogeneous data, since the standard deviation value is greater than the mean value.

The first independent variable in this study is the quality of profit, which has a minimum value of -214.093 and a maximum value of 2302.035. The average value of profit quality is 14,174 with a standard deviation of 184,038. The distribution of data for the independent variable of profit quality is considered heterogeneous due to the standard deviation being greater than the mean.

The second independent variable in this study is real earnings management. The smallest real earnings management value is -2.702, while the maximum value is 1.007. The real earnings management has an average value of 0.052 and a standard deviation of 0.717, hence it can be concluded that real earnings management is classified as heterogeneous data. The last independent variable in this study is information asymmetry. The maximum value of information asymmetry is 22,900, while the least value is 0.000. Information asymmetry is a homogeneous data since its mean value is greater than its standard deviation, specifically 3.451 and 3.425, respectively.

The first control variable under investigation in this study is leverage. The highest value of leverage is 2.311 and the lowest value is 0.097. Leverage is seen as a homogeneous data because its mean value is greater than its standard deviation value. The average value of the leverage variable is 0.517, while its standard deviation is 0.291.

The second control variable used in this study is firm size. The highest value of the variable firm size is 32,826, while the lowest value is 19,949, specifically observed in PT FKS Multi Agro Tbk. in the year 2022. The average size of companies is 28,539, while the standard deviation is 2,162. The average size of companies is larger than the standard deviation value, indicating that the size of companies can be classified as homogeneous data.

Panel Data Analysis

Chow Test

The purpose of the this test is to determine the most suitable model between Fixed Effect Model (FEM) or Common Effect Model (CEM) for subsequent panel data testing. The findings of the chow test in this study are as follows:

Table 3. Chow test result

Effect-Test	Statistic	d.f	Prob.
Cross-section F	5,856	(78,74)	0,000
Cross-section Chi-Square	311,309	78	0,000

Source: Data processed (EViews 12)

The results of the Chow test indicate that the probability of Cross-section F and Cross-

section Chi-Square is 0.000, which is below the threshold of 0.05. Therefore, based on the Chow test findings, the most suitable model is the Fixed Effect Model (FEM).

Hausman Test

The Hausman test was used to determine the most suitable model selection between the Random Effect Model (REM) and Fixed Effect Model (FEM) for subsequent panel data analysis. The findings of the Hausman test in this study are as follows:

Table 4. Hausman test result

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	12,994	5	0,023

Source: Data processed (EViews 12)

From the aforementioned test, it is evident that the probability value of the random cross-section is 0.023, which is below 0.05. Therefore, the null hypothesis (H_0) is rejected, and the alternative hypothesis (H_a) is accepted. The chosen model can be determined to be the Fixed Effect Model (FEM).

Classical Assumption Test

Multicollinearity Test

A multicollinearity test was performed to ascertain the existence of a significant correlation among each independent variables.

Table 5. Multicollinearity Test Result

	EQ	REM	IA	SIZE	LEV
EQ	1,000	0,047	0,018	-0,043	-0,104
REM	0,047	1,000	-0,137	0,149	-0,007
IA	0,018	-0,137	1,000	-0,157	0,172
SIZE	-0,043	0,149	-0,157	1,000	0,044
LEV	-0,104	-0,007	0,172	0,044	1,000

Source: Data processed (EViews 12)

Note: CP = Company Performance, EQ= Earnings Quality, REM = Real Earnings Management, IA= Information Asymmetry, SIZE = Firm Size, LEV= Leverage

According on the data presented, clearly the correlation coefficient between the variables is less than 0.85. Therefore, it can be inferred that H_0 is accepted and the independent variable is free of mutocolinearity or passes the multicollinearity test.

Heteroscedasticity Test

The heteroscedasticity test is conducted to determine the presence or absence of any inequalities in the residual variances across all observations in the model.

Table 6. Heteroscedasticity Test Result

Variable	Probaility Glejser	Decision
CP	0.010	Ha accepted
EQ	0.109	Ho accepted
REM	0.004	Ha accepted
SIZE	0.000	Ha accepted
LEV	0.000	Ha accepted

Source: Data processed (EViews 12)

Note: CP = Company Performance, EQ= Earnings Quality, REM = Real Earnings Management, IA= Information Asymmetry, SIZE = Firm Size, LEV= Leverage

From the provided table, it is evident that the probability value of the REM variable glacier heteroscenacticity test is greater than 0.05, whereas the probability value of the glacier heteroscedasticity test is 0.05. Variables EQ, IA, SIZE and LEV < 0.05, so it can be said that the regression equation model has heteroscedasticity or does not pass the heteroscenidactivity test (Sihabudin et al., 2021:136). According to Napitupulu et al (2021: 143-144), the way to overcome the problem of heteroscedasticity is to use the cross section weights approach when testing hypotheses, so that heteroscedasticity can be ignored. The FEM model with a cross section weights approach

Panel Regression Analysis

Regression equations seek to quantify the degree of correlation that exists between variables that are independent and variables that are dependent, so that they can distinguish the two types of variables in research. The subsequent equation represents a regression analysis of panel data utilizing the Fixed Effect Model (FEM) with the cross section weight technique.:

$$CP = 1,754 - 0,000*EQ - 0,016*REM + 0,004*IA - 0,059*SIZE - 0,061*LEV + e$$

Hypothesis Test

Coefficient of Determination Test

The study conducted a determination coefficient test to assess the capacity of independent variables to elucidate the behavior of dependent variables. The higher the value approaches 100% or 1, the more significant the influence of the independent variable on the behavior of the dependent variable.

Table 7. Coefficient of Determination Test Result

Model	Adjusted R2
CP	0,990

Source: Data processed (EViews 12)

F-Test

A F test was carried out in order to determine whether or not the independent variable had an effect on the dependent variable over the course of the study.

Table 8. F-Test Result

Model	F calculated	F tabel	Probability Fstat
CP	196,295	2,274	0,000

Source: Data processed (EViews 12)

The F value, measured as 196,295, is greater than the F table value of 2,274, indicating a significant result. If the value is less than 0.05, then the null hypothesis (H0) is rejected and the alternative hypothesis (Ha) is accepted, meaning that Earnings Quality, Real Earnings Management and Information Asymmetry have a simultaneous effect on the Company Performance.

T-Test

T test was conducted to assess the impact of each independent variable on the dependent variable. The tests were conducted in the following manner:

Table 9. T-Test Result

Variable	Prediction	Coefisien	Std. Error	t-Statistic	Sig.	Decision
C		1,754	0,179	9,768	0,000	
EQ	+	-0,000	0,000	-5,102	0,000	H1 rejected
REM	-	-0,016	0,009	-1,797	0,076*	H2 accepted
IA	-	0,004	0,000	16,187	0,000	H3 rejected
SIZE		-0,059	0,006	-9,144	0,000	
LEV		-0,061	0,014	-4,202	0,000	

Source: Data processed (EViews 12)

*Sig 5%

Note: CP = Company Performance, EQ= Earnings Quality, REM = Real Earnings Management, IA= Information Asymmetry, SIZE = Firm Size, LEV= Leverage

Based on the T test above, the first and third hypotheses proposed by the author were rejected, while the second hypothesis proposed by the author was accepted. The Real Earnings Management variable has a statistically significant influence on Company Performance, as indicated by its negative coefficient direction and a significance level of 0,076, which is greater than the threshold of 0,05.

DISCUSSIONS

The Influence of Earnings Quality on Company Performance

Based on the results of the first hypothesis, it can be concluded that the quality of earnings does not have a beneficial effect on company performance, thus it is rejected. The quality of earnings variable has a beta coefficient of -0.000, indicating that if other factors remain constant and the quality of earnings increases by 1%, the variable for company performance will decrease by 0.000%. If the coefficient has a negative value, namely -0.000, then H1 is rejected, indicating that the quality of earnings does not have a beneficial influence on the success of the company. The data analysis results indicate that the variable of profit quality does not have a significant influence on company performance, with a calculated t-value of 5.102,

which is greater than the critical t-value of 1.655, and a significance level of 0.000, which is less than 0.05. According to the analysis by Fambudi & Murwaningsari (2023), the quality of earnings has a minimal impact on the performance of a company.

The Influence of Real Earnings Management on Company Performance

The results of the second hypothesis testing confirm the author's premise that real earnings management has a detrimental impact on company performance. Assuming all other factors remain same, a 1% rise in the real earnings management variable will result in a 0.016% fall in the company performance variable. The coefficient value is -0,016, showing that actual earnings management has a detrimental effect on firm performance. The computed t-value for the actual earnings management variable is 1,797, which above the crucial t-value of 1,655, indicating a significance level of 0,076, which is more than the conventional threshold of 0,05. The statistical analysis confirms that there is a considerable detrimental impact of real earnings management on business performance. Consequently, the alternative hypothesis (H2) is accepted.

There is a correlation between the findings of this study and the research that was carried out by Marinda Machdar et al. (2017) and Dakhllalh et al. (2020). Real earnings management was found to have a negative impact on the overall company in both of the studies that were conducted. Real earnings management can be achieved through the manipulation of financial statements, such as the use of irregular discretionary expenses to increase profits. This can diminish the reliability of financial reports and impact company's performance on long-term. Real earnings management can diminish the quality of financial reports, so preventing investors from accurately predicting the financial position and performance of the company. This can influence investor confidence and impact company performance. A high level of real earnings management indicates uninformative financial statements, resulting in a negative response from investors.

The Influence of Information Asymmetry on Company Performance

The results of the recent hypothesis testing reveal that the author's hypothesis, which suggests that information asymmetry does not adversely affect company performance, has been disproven. The beta coefficient for the information asymmetry variable is 0,004. Assuming that the values of all other variables do not change whatsoever, a 1% increase in the asymmetry of information variable will result in a 0,004% rise in the company's performance variable. The coefficient has a positive value of 0,004. Thus, the rejection of H3 suggests that knowledge asymmetry does not adversely affect corporate performance. The computed t-value for the variable of information asymmetry is 16,187, exceeding both the critical t-value of 1,655 and the significance level of 0,000, which is less than 0,05. Consequently, the lack of equal information distribution does not exert a substantial influence on the overall success of a company. It is consistent with the findings of the research undertaken by Karnawati (2018), which indicates that knowledge asymmetry does not exert a substantial influence on company performance. The performance of the company is influenced by various aspects that have a substantial impact on its overall performance.

CONCLUSIONS

This study investigates the determinants of company performance, specifically focusing on earnings quality, real earnings management, and information asymmetry. The analysis is conducted using a sample of non-cyclical consumer sector companies that are publicly traded on the Stock Exchange throughout the period spanning from 2021 to 2022. Based on the data analysis, it is evident that:

1. There is no significant positive impact that an increase in earnings quality has on the performance of the company, in line with the research by Fambudi & Murwaningsari (2023) which found that the quality of earnings does not affect company performance.
2. The performance of the company is negatively impacted by real earnings management. This finding aligns with the studies carried out by Marinda Machdar et al. (2017) and Dakhllalh et al. (2020), which state that real earnings management is an unsustainable practice and has a significant negative impact on a company's financial performance.
3. The presence of information asymmetry does not have a significant negative impact on company performance. This finding aligns with the research that was done by Karnawati (2018), which states that information asymmetry does not affect company performance.
4. The company's performance is not significantly affected by the size of the company or the level of leverage. This finding aligns with the studies conducted by Widyari et al. (2022), Murdiansyah et al. (2020), Saragih & Sihombing (2021), and Jessica & Triyani (2022), which demonstrate that the size of a company does not have a substantial influence on its performance. This outcome aligns with the conclusions given by Syahzuni & Sari (2022) and Risna et al. (2021), who also observed no substantial influence of leverage on business performance.

IMPLICATIONS AND LIMITATIONS

This study exclusively utilizes a subset of companies belonging to a consumer sector that does not experience cyclical fluctuations and is listed on the Indonesia Stock Exchange. It may not be representative of the company's population as a whole, so it cannot be generalized.

There are several suggestions that the author provides for future researchers, including being able to increase or expand the number of samples from companies in other sectors, such as the energy, health, or technology sectors, as well as providing comparisons between the sectors of these companies so that the influence of each variable on different sectors can be known. In further studies, it is anticipated that additional independent variables, such as capital structure, investment opportunity sets, and the implementation of corporate social responsibility would be incorporated to find further elements that may impact the performance of the company.

REFERENSI

- Akoum, S., & Dridi, A. (2020). Information Asymmetry And Corporate Governance: A Literature Review. *Journal Of Accounting And Finance*, 20(3), 235–252.
- Anthony, R. N., & Govindarajan, V. (2005). *Management Control Systems*. McGraw-Hill Irwin.
- Berle, A. A., & Gardiner C, M. (1932). The Modern Corporation And Private Property. *Columbia Law Review*

32, 4, 397–463.

- Cohen, D. A., & Zarowin, P. (2010). Accrual-Based And Real Earnings Management Activities Around Seasoned Equity Offerings. *Journal Of Accounting & Economics*, 50(1), 2–19.
- Dakhlallah, M. M., Rashid, N., Wan Abdullah, W. A., Qawqzeh, H. K., & Mustafa Dakhlallah, A. (2020). Accrual-Based Earnings Management, Real Earnings Management And Firm Performance: Evidence From Public Shareholders Listed Firms On Jordanian's Stock Market. *Journal Of Advanced Research In Dynamical And Control Systems*, 12(1), 16–27. <https://doi.org/10.5373/Jardcs/V12i1/20201004>
- Dechow, P. M., Ge, W., & Schrand, C. (2010). Understanding Earnings Quality: A Review Of The Proxies, Their Determinants And Their Consequences. *Journal Of Accounting And Economics*, 50(2–3), 344–401.
- Demerjian, P. R., Lev, B., Lewis, M. F., & Mcvay, S. E. (2013). Managerial Ability And Earnings Quality. *The Accounting Review*, 88(2), 463–498.
- Duarte, A. F., Lisboa, I., & Carreira, P. (2022). Does Earnings Quality Impact Firms' Performance? The Case Of Portuguese Smes From The Mold Sector. *Journal Of Financial Reporting And Accounting*. <https://doi.org/10.1108/Jfra-12-2021-0444>
- Fambudi, I. N., & Murwaningsari, E. (2023). Disclosure Of Governance, Ownership Structure, Earnings Quality, And Future Performance (Evidence From Indonesia And Singapore). *Jurnal Akuntansi Dan Bisnis Krisnadwipayana*, 10(1), 1223. <https://doi.org/10.35137/Jabk.V10i1.930>
- Fernando, S., & Lawrence, S. (2014). A Theoretical Framework For Csr Practices: Integrating Legitimacy Theory, Stakeholder Theory And Institutional Theory. *The Journal Of Theoretical Accounting*, 10(1).
- Freeman, R. E. (1984). Toward A Theory Of Stakeholder Identification And Salience: Defining The Principle Of Who And What Really Counts. *Academy Of Management Review*, 22(4), 853–886.
- Fury Adryanti, A. (2019). Pengaruh Pilihan Metode Manajemen Laba AkruaL Dan Riil Terhadap Kinerja Keuangan Perusahaan Sektor Manufaktur. In *Jurnal Studi Akuntansi Dan Keuangan* (Vol. 2, Issue 1).
- Ghozali, I. (2018). *Aplikasi Analisis Multivariate Dengan Program Ibm Spss 25*. (9th Ed.). Badan Penerbit Universitas Diponegoro.
- Herusetya, A., & Lawu, S. A. (2022). *Information Asymmetry, Market Reaction And Company Performance: Pre And During The Covid-19 Pandemic*. <https://cnbcindonesia.com>
- Hodge, D. F. (2003). Investors' Perceptions Of Earnings Quality, Auditor Independence, And The Usefulness Of Audited Financial Information. *Accounting Horizons*, 17, 37–48.
- Jensen, M. C., & Meckling, W. H. (1976). Theory Of The Firm: Managerial Behavior, Agency Costs And Ownership Structure. *Journal Of Financial Economics*, 3(4), 305–360.
- Karnawati, Y. (2018). Faktor-Faktor Yang Berpengaruh Terhadap Manajemen Laba Dan Kinerja Perusahaan (Studi Empiris Pada Perusahaan Manufaktur). *Jurnal Ekonomi*, 8(2).
- Khuong, N. V., Ha, N. T. T., & Thu, P. A. (2019). The Relationship Between Real Earnings Management And Firm Performance: The Case Of Energy Firms In Vietnam. *International Journal Of Energy Economics And Policy*, 9(2), 307–314. <https://doi.org/10.32479/Ijeep.7469>
- Lahjie, A. A., Iskandar, R., & Sambe, R. (2022). Pengaruh Corporate Social Responsibility Dan Asimetri Informasi Terhadap Kinerja Keuangan Perusahaan Di Indonesia. *Ekuitas (Jurnal Ekonomi Dan Keuangan)*, 6(4), 562–584. <https://doi.org/10.24034/J25485024.Y2022.V6.I4.5040>
- Li, H. (2014). Top Executives' Ability And Earnings Quality: Evidence From The Chinese Capital Markets. *International Journal Of Financial Research*, 5(4), 79–86.
- Malau, M., & Murwaningsari, E. (2018). The Effect Of Market Pricing Accrual, Foreign Ownership, Financial Distress, And Leverage On The Integrity Of Financial Statements. *Economic Annals*, 63(217), 129–139. <https://doi.org/10.2298/Eka1817129m>
- Marinda Machdar, N., Haymans Manurung R M, A. D., & Murwaningsari, E. (2017). International Journal Of Economics And Financial Issues The Effects Of Earnings Quality, Conservatism, And Real Earnings Management On The Company's Performance And Information Asymmetry As A Moderating Variable. *International Journal Of Economics And Financial Issues*, 7(2), 309–318. <http://www.econjournals.com>
- Mitchell, R. K., Agle, B. R., & Wood, D. J. (1997). Toward A Theory Of Stakeholder Identification And Salience: Defining The Principle Of Who And What Really Counts. *Academy Of Management Review*, 22(4), 853–886.

- Nuraeni, R., Mulyati, S., & Putri, T. E. (2018). Faktor-Faktor Yang Mempengaruhi Persistensi Laba (Studi Kasus Pada Perusahaan Property Dan Real Estate Yang Terdaftar Di Bursa Efek Indonesia Tahun 2013-2015). In *Accounting Reserach Journal Of Sutaatmadja* (Vol. 1, Issue 1).
- Paramita, A., Stiem, R., Makassar, B., Lalo, A., & Bongaya Makassar, S. (2023). Pengaruh Perencanaan Pajak Terhadap Manajemen Laba Pada Perusahaan Non Finansial Yang Terdaftar Di Bursa Efek Indonesia Tahun 2019-2021 Mappamiring P Stiem Bongaya Makassar. In *Jurnal Ilmu Manajemen, Ekonomi Dan Kewirausahaan* (Vol. 1, Issue 1).
- Putri, M. M., Saebani, A., & Putra, A. M. (2020). Pengaruh Manajemen Laba Riil Terhadap Kinerja Perusahaan Setelah Konvergensi Ifrs. *Jiafe (Jurnal Ilmiah Akuntansi Fakultas Ekonomi)*, 6(1), Press. <https://doi.org/10.34204/jiafe.V6i1.1848>
- Rachmawati, S. (2019). Company Size Moderates The Effect Of Real Earning Management And Accrual Earning Management On Value Relevance. *Etikonomi*, 18(1). <https://doi.org/10.15408/etk.V18i1.9381>
- Rangkuti, F. (2008). *Analisis Kinerja Perusahaan: Pendekatan Dan Aplikasi*. Gramedia Pustaka Utama.
- Risdawaty, I. M. E., & Subowo. (2015). Pengaruh Struktur Modal, Ukuran Perusahaan, Asimetri Informasi, Dan Profitabilitas Terhadap Kualitas Laba. *Jurnal Dinamika Akuntansi*, 7(2), 109–118.
- Roychwdhury, S. (2006). Earnings Management Through Real Activies Manipulation. *Jurnal Akuntansi Dan Ekonomi*, 42(3), 335–365.
- Saleh, I., Afifa, M. A., & Alsufy, F. (2020). Does Earnings Quality Affect Companies' Performance? New Evidence From The Jordanian Market. *Journal Of Asian Finance, Economics And Business*, 7(11), 033–043. <https://doi.org/10.13106/jafeb.2020.Vol7.No11.033>
- Spence, A. M. (1973). Job Market Signaling. *Quarterly Journal Of Economics*, 87(3).
- Syahzuni, B. A., & Sari, R. D. (2022). Pengaruh Kualitas Laba Dan Financial Leverage Terhadap Kinerja Keuangan Dengan Reaksi Pasar Sebagai Variabel Intervening. *Jurnal Akuntansi Bisnis*, 15(1). <https://doi.org/10.30813/jab.V15i1.2932>
- Untari, E. F. (2016). *Pengaruh Good Corporate Governance Dan Tingkat Asimetri Informasi Terhadap Praktik Manajemen Laba Dengan Kualitas Audit Sebagai Variabel Moderasi* [Jurusan Akuntansi]. Universitas Negeri Malang.
- Yoga. (2010). Hubungan Teori Signalling Dengan Underpricing Saham Pada Penawaran Perdana (Ipo) Di Bursa Efek Jakarta. *Eksplorasi*, 5(1).