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Tax Planning, Gender Diversity, Earning Power, and Institutional Ownership on Earning Management

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A B S T R A C T

This investigation aims to evaluate how earnings management within Indonesia Stock Exchange (IDX)-listed mining firms is affected by corporate attributes, specifically institutional ownership, earning power, gender diversity, and tax planning, spanning the years 2020 to 2024. Utilizing a quantitative approach, the study encompasses a broader population of 63 mining enterprises, the final sample includes 36 corporations, resulting in a total pool of 180 observations. Secondary data were gathered from corporate websites and official annual reports published on www.idx.co.id. To execute the statistical evaluations, multiple linear regression was applied through SPSS 26. The resulting empirical data indicates that while tax planning, earning power, and institutional ownership significantly dictate earnings management practices, gender diversity yields no such effect. This implies that the proportion of female directors has not attained the critical mass required to exert a meaningful impact on earnings manipulation within this industry.

INTRODUCTION

Serving as the primary product of an organization's accounting cycle, financial statements offer critical insights into its operational performance and economic health. This data is essential for guiding the strategic decisions of both internal management and outside stakeholders. (Azhara et al., 2025; Rohmah & Juitania, 2025). Profit information is part of the financial statements that shows the actual condition of the company (Adityaningsih & Hidayat, 2024). Management often alters financial statements for specific purposes such as earnings management (Rakasiwi & Pujiati, 2024).

Earnings management a practice in which company management uses certain accounting interventions, assessments, or policies to manipulate profit figures in financial statements (Arizah et al., 2024). The goal is to meet specific financial targets or give the impression that the company is performing steadily. As the party most familiar with internal information and the company's potential, managers often manipulate financial reports for personal gain (Ishmah & Permatasari, 2025). As a result, the information received by the company owner has been manipulated and does not fully reflect the actual financial condition (Alfikih & Widiyati, 2025). Earning management is influenced by tax planning, gender diversity, and earning power.

The years 2020-2025 were marked by significant volatility in global commodity prices, instigated by the global health crisis and shifting geopolitical dynamics. The post-pandemic rise in commodity prices (especially coal and nickel) provided huge windfall profits (Arizah et al., 2024). The financial statements of several companies show profit fluctuations that are not entirely proportional to price increases, indicating managerial discretion in determining profits (Adityaningsih & Hidayat, 2024).

PT Bukit Asam Tbk (PTBA) reported a decline in financial performance during 2023, mainly due to falling coal prices. The company's net profit decreased by 51% to Rp6.10 trillion compared to Rp12.56 trillion in the previous year, resulting in a decline in basic earnings per share from Rp1,094 to Rp532. According to data from the Director General of Mineral and Coal, the benchmark coal price (HBA) reached its highest level of US$330 per ton in October 2022, then declined to US$117 per ton in December 2023. The drop in coal valuations substantially affected the profitability of firms within the extraction sector, as seen in PTBA, which experienced a decline in revenue and net profit in 2023 (Azhara et al., 2025).

Tax planning is a legal action to minimize tax liabilities (Brivot et al., 2025). PAT shows that strong tax incentives (i.e., Political Cost Hypothesis) encourage managers to manage earnings (Eberhartinger & Samuel, 2025). Aggressive tax planning often requires a high degree of accounting discretion, which overlaps with earning management practices (Kohlhase & Wielhouwer, 2023; Krieg & Li, 2025). A study spearheaded by Azzahra & Aprilina, (2024) states tax planning initiatives are positively associated with heightened earnings management practices (Azhara et al., 2025; Firmansyah et al., 2023; Wati et al., 2023). However, divergent findings presented by Rohmah & Juitania, (2025) states tax planning are not significantly associated with earnings management (Handayani & Asmonah, 2025; Juliana & Reskino, 2023; Utami & Budiantara, 2024).

Gender Diversity refers to the presence of women on the board of commissioners or directors (Pratama et al., 2024). Integrating behavioral finance and corporate governance frameworks reveals that female leadership is characterized by heightened ethical standards, lower risk tolerance, and a strategic emphasis on long-term outcomes during decision-making (Dewi & Pambudi, 2023). Their presence is expected to improve oversight and limit earning management practices. A study spearheaded by Rohmah & Juitania, (2025) states gender diversity positively associated with increased earnings management practices (Fitroni & Feliana, 2022). However, divergent findings presented by Meyditiya et al., (2024) states gender diversity are not significantly associated with earnings management (Anggarayni & Wenny, 2024; Rahmitha & Trisnawati, 2025; Rakrismawati & Butar, 2023).

Earning power or high profitability provides greater leeway for managers to smooth income (Denisya et al., 2024). Serving as a critical metric used by investors to gauge a firm's future financial prospects. Earning power not only shows current financial performance, but also provides an overview of future profit sustainability (Rohmah & Juitania, 2025). A study spearheaded by Rohmah & Juitania, (2025) states earning power positively associated with increased earnings management (Jannah et al., 2024; Yani et al., 2024; Yuliastuti & Nurhayati, 2023). However, divergent findings presented by Purba et al., (2024) states earning power are not significantly associated with earnings management (Tapo et al., 2023).

To address the mixed findings in prior literature, this research introduces institutional ownership as an additional variable from the study Rohmah & Juitania, (2025). Institutional ownership is considered to be active major shareholders (monitoring device). Greater resources and incentives to protect investments can improve oversight and discourage harmful earning management practices (Astawa & Sinarwati, 2024). A study spearheaded by Himawan & Maharani, (2023) states institutional ownership positively associated with increased earnings management (Ayudia & Hapsari, 2021; Immanuel & Hasnawati, 2022; Rahayu & Sari, 2023). However, divergent findings presented by Syarifudin & Baradja, (2023) states institutional ownership are not significantly associated with earnings management (Adityaputra, 2023; Febianti et al., 2024; Rakrismawati & Butar, 2023). The primary objective of this research is to analysis how tax planning, gender diversity, earning power, and institutional ownership influence earnings management among publicly traded mining corporations IDX from 2020 through 2024.

LITERATURE REVIEW

Agency Theory

Agency theory fundamentally conceptualizes the corporate relationship wherein equity holders delegate operational authority to managers, who execute duties as their agents (Marcella et al., 2023; Ratnasari et al., 2024). Agency theory is structurally underpinned by a trio of core assumptions: those regarding human behavior, organizational dynamics, and the nature of information. (Setiawati et al., 2024). Conflicts between principals and agents stem from the reality that managerial decisions frequently diverge from stakeholder expectations, a disconnect that can ultimately incentivize fraudulent behavior. (Tumangger et al., 2023). This risk is amplified by information asymmetry, wherein executives leverage their superior access to accounting techniques and financial data to optimize personal benefits. (Purwanto et al., 2025).

Tax Planning and Earnings Management

Tax planning is a legal action to minimize tax liabilities (Brivot et al., 2025). PAT shows that strong tax incentives (i.e., Political Cost Hypothesis) encourage managers to manage earnings (Eberhartinger & Samuel, 2025). Aggressive tax planning often requires a high degree of accounting discretion, which overlaps with earning management practices (Kohlhase & Wielhouwer, 2023; Krieg & Li, 2025). Agency theory emphasizes tax planning serves as a managerial tactic to minimize tax expenses, ultimately boosting profitability and enterprise value to meet the expectations of shareholders (Kohlhase & Wielhouwer, 2023). Causing conflict, if agents exploit asymmetric information for personal gain, positioning tax planning as a critical domain for mitigating agency conflicts between executives and shareholders (Eberhartinger & Samuel, 2025). A study spearheaded by Azzahra & Aprilina, (2024) states tax planning positively associated with increased earnings management, indicating that tax planning is a strategic tool used by management to manage earnings (Azhara et al., 2025; Firmansyah et al., 2023; Wati et al., 2023).

H1: *Tax Planning affects Earnings Management.*

Gender Diversity and Earnings Management

Gender diversity signifies the representation of female professionals within a company's board of directors or board of commissioners (Pratama et al., 2024). Integrating behavioral finance and corporate governance frameworks reveals that female leadership is characterized by heightened ethical standards, lower risk tolerance, and a strategic emphasis on long-term outcomes during decision-making (Dewi & Pambudi, 2023). Their presence is expected to improve oversight and limit earning management practices. Research conducted by Rohmah & Juitania, (2025) states gender diversity positively associated with increased earnings management (Fitroni & Feliana, 2022).

H2: *Gender Diversity affects Earnings Management.*

Earning Power and Earnings Management

Earning power or high profitability provides greater leeway for managers to smooth income (Denisya et al., 2024). Serving as a critical metric used by investors to gauge a firm's future financial prospects. Earning power not only shows current financial performance, but also provides an overview of future profit sustainability (Rohmah & Juitania, 2025). Agency theory emphasizes that earning power is an important result of decisions made by agents (management) acting on behalf of principals (shareholders) (Yuliastuti & Nurhayati, 2023). A study spearheaded by Rohmah & Juitania, (2025) states earning power positively associated with increased earnings management, indicating that companies with high earning power tend to be more conservative in earnings management, while those with low earning power are more motivated to manipulate earnings to improve their financial image (Jannah et al., 2024; Yani et al., 2024; Yuliastuti & Nurhayati, 2023).

H3: *Earning Power affects Earnings Management.*

Institutional Ownership and Earnings Management

Institutional ownership refers to the equity stake within a firm that is held by large-scale entities, including insurance providers, hedge funds, and similar investment corporations. (Astawa & Sinarwati, 2024). Elevated levels of institutional blockholding tend to strengthen managerial oversight, thereby mitigating the risk and prevalence of fraudulent activities. (Sari & Pratiwi, 2023). Agency theory emphasizes presence of institutional ownership acts critical oversight tool that curbs opportunistic executive behavior, thereby narrowing the alignment gap between corporate owners and managers (Rizki et al., 2023). A study spearheaded by Himawan & Maharani, (2023) states institutional ownership positively associated with increased earnings management, this perspective aligns with earlier findings which indicate that substantial institutional equity discourages fraudulent financial reporting (Ayudia & Hapsari, 2021; Immanuel & Hasnawati, 2022; Rahayu & Sari, 2023).

H4: *Institutional Ownership affects Earnings Management*.

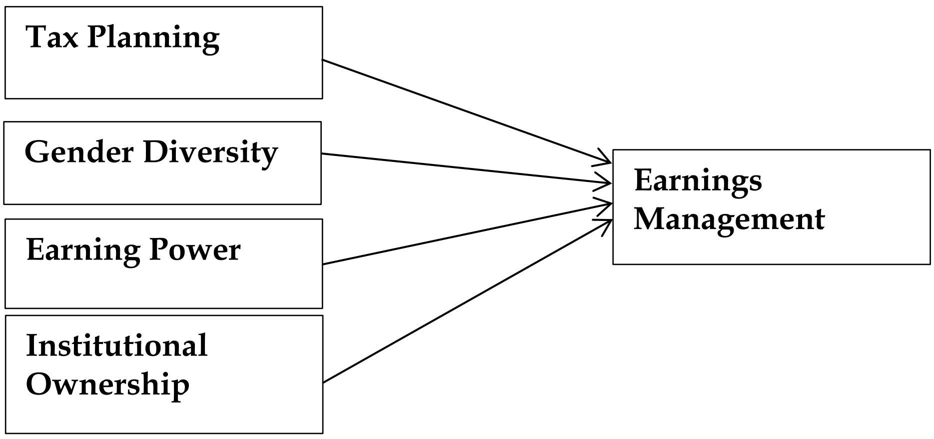

Figure 1. Conceptual Framework

METHODOLOGY

This study adopts a quantitative approach, which involves gathering numerical data through structured inquiries to facilitate statistical analysis. (Sekaran & Bougie, 2020). Population is the total number of all objects or individual units observed in a study (Ghozali, 2018). The research population comprises 63 mining IDX from 2020 to 2024. From this group, a specific subset was selected as the sample to ensure a representative analysis of the entire population. (Ghozali, 2018). A purposive sampling method was applied based on predefined criteria, yielding a final selection of 36 companies and resulting in a total pool of 180 observations. The empirical analysis in this study utilizes secondary data extracted from annual and financial reports published on the official platform of the IDX platform (www.idx.co.id) and individual corporate websites. Analytical procedures involve multiple linear regression executed via SPSS version 26, encompassing descriptive statistical evaluations, classical assumption diagnostics, and hypothesis testing.

Multiple Linear Regression Model

$$\mathbf{Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_{4} + \varepsilon}$$

Notes:

Y = Earnings Management	X_2 = *Gender Diversity*
X_1 = Tax Planning	X_3 = *Earning Power*
X_4 = Institutional Ownership	α = Constant
β = Regression coefficient	ε = Error Term

Variables and Measurements

The variables examined in this empirical analysis and their corresponding operationalizations are presented below.

Table 1. Variable Definitions and Measurements

Variable	Definition	Measurement	Scale	Source
Earnings management	Earnings management a practice in which company management uses certain accounting interventions, assessments, or policies to manipulate profit figures in financial statements. The goal is to meet specific financial targets or give the impression that the company is	$DA_{it} = \left(\frac{TAC_{it}}{A_{it-1}}\right) - NDA_{it}$	Ratio	(Aprilianti et al., 2025; Putri & Fidiana, 2022)

	performing steadily.			
Tax planning	Legal actions to minimize PAT tax liabilities indicate that strong tax incentives (i.e., Political Cost Hypothesis) encourage managers to manage earnings.	$\text{TRR} = \frac{\text{Laba Bersih}}{\text{EBIT}}$	Ratio	(Handayani & Asmonah, 2025; Olin & Priyadi, 2024; Utami & Budiantara, 2024)
Gender Diversity	Reflecting boardroom gender diversity through the active participation of women in senior governance roles.	0 = Companies that do not have female directors 1 = Companies that have female directors	Dummy	(Meyditiya et al., 2024)
Earning Power	High profitability provides managers with greater leeway for income smoothing.	$\textbf{Earning Power} = \frac{\textbf{EBIT}}{\textbf{Total Aset}}$	Ratio	(Jannah et al., 2024)
Institutional ownership	This metric reflects the percentage of equity held by institutional investors, including insurance firms, investment funds, and other corporate entities.	$\textbf{Institutional ownership} = \frac{\textbf{Amount of Institutional shares}}{\textbf{Amountof outstanding shares}}$	Ratio	(Putri & Fidiana, 2022)

RESEARCH RESULT

Descriptive Statistical Analysis

Descriptive statistics serve to organize, synthesize, and interpret raw data, thereby transforming it into an easily comprehensible and informative format. Statistical tests were conducted on Tax Planning, Gender Diversity, Earning Power, Institutional Ownership, and Earnings Management.

Table 2. Descriptive Statistical Analysis

	N	Minimum	Maximum	Mean	Std. Deviation
X1	180	.52	1.98	.8190	.22195
X2	180	.00	1.00	.5278	.50062
X3	180	-.11	1.30	.2014	.24846
X4	180	.35	1.03	.9106	.22581
Y	180	.00	7.30	.8281	1.61993

As displayed in Table 2, the descriptive statistics provide an initial overview of the data distribution across the sampled firms:

1. Tax Planning (X1): The descriptive metrics for tax planning reveal a minimum value of 0,52 and a maximum of 1,98. On average, the sampled firms exhibit a tax planning score of 0,8190, with a standard deviation of 0,22195.
2. Gender Diversity (X2): For the gender diversity variable, the data spans from a minimum of 0,00 to a maximum of 1,00. The mean score stands at 0,5278, accompanied by a standard deviation of 0,50062.
3. Earning Power (X3): Quantitative analysis of earning power indicates a lowest observed value of -0,11 and a peak value of 1,30. The dataset yields a mean value of 0,2014, with a dispersion or standard deviation of 0,24846.
4. Institutional Ownership (X4): Institutional ownership ranges between a minimum proportion of 0,35 and a maximum of 1,03. The overall average for this ownership structure is 0,9106, with a standard deviation recorded at 0,22581.
5. Earnings Management (Y): Regulated as the dependent variable, earnings management demonstrates a minimum point of 0,00 and a maximum spike of 7,30. The average calculation settles at 0,8281, alongside a standard deviation of 1,61993.

Testing Classical Assumptions

Table 3. Data Normality Test

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		180
Normal Parameters[a,b]	Mean	.0000000
	Std. Deviation	.19402882
	Absolute	.064

Most Extreme Differences	Positive	.064
	Negative	-.063
Test Statistic		.064
Asymp. Sig. (2-tailed)		.054[c]

As illustrated by the normality test results in Table 3, the Asymp. Sig. (2-tailed) metric stands at 0.054. Because this figure is greater than 0.05, it confirms that the residual data meets the assumption of a normal distribution.

Table 4. Multicollinearity Test

Model		Unstandardized Coefficients		Collinearity Statistics	
		B	Std. Error	Tolerance	VIF
1	(Constant)	12.265	.900		
	X1	-2.710	.211	.839	1.192
	X2	.621	.081	.938	1.066
	X3	.891	.050	.856	1.168
	X4	.077	.006	.934	1.070

The diagnostics for multicollinearity reveal that the tolerance scores for Tax Planning (X1), Gender Diversity (X2), Earning Power (X3), and Institutional Ownership (X4) exceed > 0.01, while all corresponding VIF values are lower than < 10. Consequently, no multicollinearity between the independent variables in the regression model.

Table 5. Heteroscedasticity Test

.0

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.663	.454		1.460	.146
	X1	.032	.106	.022	.301	.764
	X2	-.197	.041	-.331	-4.825	.085
	X3	-.126	.025	-.360	-5.017	.561
	X4	.154	.083	.259	1.825	.101

As illustrated in the provided table, the sig values for all independent are well above > 0.05. Consequently, it can be inferred that the residual variance remains constant, satisfying the non-heteroscedasticity requirement.

Autocorrelation Test

Table 6. Autocorrelation Test

Model Summary[b]					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.705[a]	.497	.486	1.16194	2.068

The autocorrelation analysis presented in Table 6 yields a Durbin-Watson (DW) statistic of 2.068. For a sample size of n = 180 and k = 4 predictors, dL = 1,7109, dU = 1,8017, 4-dU = 2,1983. Since dU < dw < 4 - dU, it can be concluded that there is no autocorrelation among the residuals.

Coefficient of Determination Test

Table 7. Coefficient of Determination Test

Model Summary[b]					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.705[a]	.497	.486	1.16194	2.068

The Adjusted R Square test results produced an R value of 0.497, equivalent to 49.7%, which can be interpreted as meaning that Tax Planning (X1), Gender Diversity (X2), Earning Power (X3), and Institutional Ownership (X4) affect earning Management by (100% -49.7%=50.3%). The rest is influenced by other variables outside the test.

F-test

Table 8. F-test

ANOVA[a]						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	233.459	4	58.365	43.230	.001[b]
	Residual	236.270	175	1.350		
	Total	469.729	179			

Good Research Model

The simultaneous hypothesis testing results reveal an F-statistic of 43.230, which significantly exceeds the critical F-table value of 2.42, paired with a Sig. value of 0.001. Since the significance level falls well below the 0.05 threshold, it can be concluded that Tax Planning (X1), Gender Diversity (X2), Earning Power (X3), and Institutional Ownership (X4) exert a significant collective influence on Earnings Management.

T-test

Table 9. T-test

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	12.265	.900		10.670	.001
	X1	-2.710	.211	-.499	2.460	.015
	X2	.621	.081	.282	1.498	.136
	X3	.891	.050	.686	2.885	.004
	X4	.077	.006	.482	1.979	.000

Based on the partial statistical analysis in Table 9, the specific impact of each independent can be detailed as follows:

1. Tax Planning (X1): With a sig-value of 0.015 (lower than 0.05) and a calculated t-statistic of 2.460 (surpassing the critical t-table value of 1.653), the first hypothesis is empirically supported. This indicates that tax planning exerts a positive and statistically significant partial effect on earnings management.
2. Gender Diversity (X2): Statistical analysis reveals a significance level of 0.136, which exceeds 0,05. This is mirrored by its t-value of 1.498, failing to reach the table benchmark of 1.653. Consequently, the gender diversity hypothesis is rejected, demonstrating that the inclusion of women on the board does not affect earnings management practices.
3. Earning Power (X3): The empirical metrics demonstrate a highly significant value of 0.004, accompanied by a robust t-count of 2.885. Since these parameters confidently satisfy the evaluation criteria (sig < 0.05, t > t-table 1.653), the proposed hypothesis is accepted, confirming that earning power holds a positive partial influence over earnings management.
4. Institutional Ownership (X4): The calculation yields a significance score of 0.000, which is well below the 0.05. Supported by an observed t-value of 1.979 that exceeds the 1.653 baseline, the institutional ownership hypothesis is accepted. Thus, it can be inferred that higher institutional oversight partially drives a positive direction in the regression model.

DISCUSSION

The Effect of Tax Planning on Earnings Management

According to the partial analysis presented in Table 9, the significance value of 0.015 falls below the 0.05 threshold. This indicates that the Tax Planning variable exerts a partial, positive influence on Earnings Management. Management (agents) utilize tax planning as a strategic mechanism to mitigate corporate tax liabilities. This reduction aims to maximize net income and elevate firm value, aligning with the shareholders' (principals') objectives of wealth maximization. Such a dynamic reinforces the agency theory framework, wherein agents exploit information asymmetry to earnings management and satisfy the performance benchmarks set by principals. Within the mining industry, aggressive tax planning serves to stabilize cash flows amidst market fluctuations. Executives in this sector leverage loopholes in fiscal and accounting regulations for income smoothing, thereby projecting a favorable financial outlook to investors despite market volatility. This study corroborates the prior research conducted by Azzahra & Aprilina, (2024), which demonstrates that tax planning positively impacts earnings management, suggesting that executives employ tax planning as a strategic tool for earnings management (Azhara et al., 2025; Firmansyah et al., 2023; Wati et al., 2023).

The Effect of Gender Diversity on Earnings Management

Based on the partial analysis in Table 9, the significance value of 0.136 is greater than 0.05, indicating that Gender Diversity has no effect on Earnings Management. The presence of female members on both the board of commissioners and directors does not inherently restrict managers from engaging in earnings management. This demonstrates that board gender proportion functions more as compliance with regulatory formalities (tokenism) rather than a meaningful shift in financial reporting oversight. Within the framework of agency theory, this tokenism indicates that gender diversification cannot yet resolve agency problems because its presence remains ineffective in minimizing information asymmetry between management and investors. In the mining industry, corporate decisions are frequently compelled by commodity price fluctuations and massive capital costs rather than gender-related monitoring perspectives. Earnings management is more heavily dictated by the overall internal control system rather than the individual gender mix within the structure. This study is consistent with research carried out by Meyditiya et al., (2024) states that gender diversity has no effect on earnings management (Anggarayni & Wenny, 2024; Rahmitha & Trisnawati, 2025; Rakrismawati & Butar, 2023).

The Effect of Earning Power on Earnings Management

According to the partial analysis in Table 9, the significance level of 0.004 is less than 0.05, demonstrating that Earning Power partially and positively affects Earnings Management. Reinforcing the concept of agency theory, earning power serves as an indicator of the agent's (management) effectiveness in deploying assets to yield returns for the principal (shareholders). The corporate capacity to generate profits is not just a statistical achievement, but also a driver for management to manipulate earnings to preserve investor confidence and secure favorable performance assessments. Given that mining firms are highly vulnerable to global commodity price fluctuations, a strong earning power often prompts management to implement efficient earnings management, creating a financial buffer for future market declines. These findings are consistent with research carried out by Rohmah & Juitania, (2025) states that earning power has a positive influence on earnings management, indicating that companies with high earning power tend to be more conservative in earnings management, while those with low earning power are more motivated to manipulate earnings to improve their financial image (Jannah et al., 2024; Yani et al., 2024; Yuliastuti & Nurhayati, 2023).

The Effect of Institutional Ownership on Earnings Management

Based on the partial analysis in Table 9, the significance value of 0.000 is less than 0.05, indicating that Institutional Ownership partially and positively affects Earnings Management. Institutional ownership holds a critical function in enforcing strict oversight on management behavior. From an agency theory perspective, this result implies that institutional stakes do not merely function as a rigid barrier, but as a strategic monitoring tool. The involvement of institutional blocks serves to minimize agency conflicts and align the objectives of the principal (owners) and the agent (management). As institutional influence grows, it creates a stronger push for firms to manage earnings efficiently or in accordance with the long-term targets set by institutional professionals. Given that the mining industry faces substantial environmental, social, and commodity price risks, institutional investors leverage advanced analytical capabilities to monitor financial reporting. They can effectively differentiate dangerous profit manipulation from efficient earnings management aimed at buffering the firm against market unpredictability. These findings are consistent with research carried out by Himawan & Maharani, (2023) states that institutional ownership has a positive influence on earnings management, indicating that the higher the institutional ownership, the stronger the internal control, thereby tending to reduce earnings management practices (financial statement manipulation) to improve earnings quality and protect shareholder interests (Ayudia & Hapsari, 2021; Immanuel & Hasnawati, 2022; Rahayu & Sari, 2023).

CONCLUSION AND RECOMMENDATIONS

The partial results of the study indicate that the variables of tax planning, earning power, and institutional ownership have a positive and significant effect on earnings management. This indicates that the higher the level of tax planning, the greater the earning power, and the stronger the proportion of institutional ownership, the more likely companies are to engage in earnings management practices as a form of managerial discretion in response to economic volatility. Conversely, the gender diversity variable has been proven to have no effect on earnings management, indicating that the presence of women on the board is not yet a determining factor in limiting or encouraging earnings manipulation practices in the mining sector. This study has limitations, including its focus on the mining sector with an observation period limited to 2020-2024, as well as the coefficient of determination value, which indicates that there are still 50.3% of other factors outside the model that influence earnings management.

ADVANCED RESEARCH

Future researchers are expected to expand the scope to other industrial sectors and add additional independent variables, such as audit quality or audit committees, to provide a more comprehensive picture of earning management practices in Indonesia.

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