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The Effect of Good Corporate Governance, Earning Management on Firm Value

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General Background: Firm value serves as a long-term goal to attract investors and ensure sustainable growth, while Good Corporate Governance (GCG) addresses agency conflicts to enhance value. **Specific Background:** Enterprise value and GCG are essential for creating ethical, competitive, and resilient organizations, enabling firms to navigate global economic and social challenges. **Knowledge Gap:** Despite prior research, inconsistencies remain regarding the impact of GCG and earnings management on firm value, necessitating further study. **Aims:** This study examines the influence of GCG, earnings management, and firm-specific factors on firm value, providing insights for investment decisions. PBV is used as a proxy for firm value, while the Jones model represents earnings management, with GCG measured through board composition, independent commissioners, and audit committees. **Methods:** Using a quantitative approach, the study analyzed 155 data points from new coal mining companies listed on the Indonesia Stock Exchange (2019–2023) through purposive sampling and documentation techniques. **Results:** The board of directors significantly enhances firm value, while the audit committee and independent commissioners are less effective. Earnings management negatively impacts firm value by creating informational asymmetry. **Novelty:** By integrating signal theory, the study offers a unique perspective on mitigating information asymmetry through transparent reporting. **Implications:** The findings contribute to improving corporate governance practices and guiding investment strategies.

Keywords: Firm Value, Independent Board of Commissioners, Board of Directors, Audit Committee, Earnings Management

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INTRODUCTION

The company's failure to maximize company value can cause various problems that have a negative impact on financial, managerial, operational, and strategic aspects. These impacts include a decrease in share price, difficulty in obtaining funding, low profitability, and increased risk of bankruptcy. In addition, weak corporate governance can lead to conflicts of interest, operational inefficiencies, and loss of trust from shareholders and other stakeholders. The company's inability to adapt to market dynamics and intensified competition can also result in loss of market share and decreased competitiveness. Therefore, companies need to implement long-term strategies that are oriented towards operational efficiency, innovation, and good governance in order to increase company value and create sustainable growth. Corporate are created with both short-term and long-term objectives in mind. The most important goal of the company is to make a profit. For the long term, namely by paying attention to the value of the company which can be assessed from its share price, investors assess the company by observing the movement of the share price of companies listed on the IDX that have gone public. Firm value is a condition in a company that can be described by the public against the company through activities during the period the company was founded (Ningdiyah, Asyik, and Fidiana 2024). Company value is a reflection of a company that describes a company that is valued by the public or the price of shares that have been circulated and can be seen by all circles of society, the price that people are willing to pay (Xiang and Birt 2021). Company value is crucial for businesses to understand their current status and determine the interest of investors to invest their funds in the company. Higher investment returns, earnings, and a higher firm profitability value are all reflected in a higher company value. Stakeholders can also assess if the company's valuation is reasonable (Fitriana 2024). According to (Eugene and Joel 2010) the company has one of the targets, namely by increasing the value of the company by selecting management for various projects that have the most impact on increasing investor welfare.

In an effort to increase company value, of course, it cannot be separated from problems or conflicts that exist within the company, one of the conflicts that can occur in the company is the difference in interests of the two parties related to the agent or principal, this conflict is called an agency conflict. This can occur because management is more concerned with personal gain while stakeholders expect to get dividends on the capital that has been invested in the company (Gusriandari, Rahmi, and Putra 2022). The existence of agency conflicts that occur in a company certainly requires good control and monitoring so that efforts to increase company value can be maximized. Implementing good corporate governance is one of the effective efforts to monitor managers in the company. When a business uses GCG correctly and effectively, it may boost performance and lessen issues with accountability and transparency (Tanjung, Hendrian, and Geraldina 2023). The use of GCG values, such as accountability, transparency, openness, and justice, is one way to try (Rusydi et al. 2020). Good corporate governance, offers useful advantages for enhancing the company's reputation (Dzulkifli, Arifin, and Salmah 2020). Corporate governance, according to the Cadbury Report, is a set of elements, guidelines, and procedures that support efficient administration and supervision of a company (Hassan et al. 2024). Due to the growing realization that businesses have an impact on economic performance and their capacity to get long-term, affordable investment capital, corporate governance concerns are gaining more attention in both developed and developing nations. By providing certain safeguards against bad management or misuse of investment money, corporate governance aims to guarantee companies give investors a just and equitable return on their investment (Yakar 2010).

Companies can also increase firm value by practicing earnings management, this can be done by management as agents. Accrual earnings management is a form of manipulation of financial statements in order to increase company profits to look good in the perception of investors (Rajab et al. 2022). Management has an incentive to process profits statistics using accounting procedures and regulations in order to make them appear appealing. This conduct is referred to as managers' opportunistic behavior through earnings management. Earnings management is opportunistic behaviour due to management's motive to achieve personal interests. There are several reasons why managers engage in earnings management, including avoiding job shifting and providing bonuses, increasing stock prices, and other motives (Rahmawati, Agustiningsih, and Setiany 2015). These actions are contrary to the provision of financial reports, which is to provide quality financial reports that are oriented towards the interests of all stakeholders. One may argue that profits management is in the public interest (Kettunen et al. 2024). However, earnings management on the other hand, will lower the caliber of information available to investors, according (Kim and Sohn 2013).

(Hidayat, Triwibowo, and Vebrina Marpaung 2021) and (Hasan and Mildawati 2020) have conducted research related to the relationship between Good Corporate Governance (GCG) and firm value. relationship between Good Corporate Governance (GCG) and firm value with the results of Good Corporate Governance (GCG) has a positive effect on firm value. Governance (GCG) has a positive effect on firm value. This is not in line with research conducted by (Laksono 2021) which states that Good Corporate Governance (GCG) has no effect on firm value. effect on firm value.

Research on earnings management on firm value has been tested by (Riswandi and Yuniarti 2020), (Insyaroh and Widiatmoko 2022), and (Azaria dan Muslichah 2021), (Insyaroh and Widiatmoko 2022), and (Azaria dan Muslichah 2021) empirically. (Riswandi and Yuniarti 2020) and (Azaria dan Muslichah 2021) found that earnings management has a positive effect on firm value. on firm value. This is different from the results tested by (Insyaroh and Widiatmoko 2022), in this study found that earnings management has a negative effect on firm value.

The purpose of this study is expected to provide benefits for stakeholders so that they can consider investing decisions and use discretionary accrual information to assess the management's earnings management. This research is also expected to explain the importance of good corporate governance as an effort to reduce the decline in company value Based on previous research, it is found that the novelty of research is to develop theories and research concepts, the theory in this study adds signal theory in order to provide signals for investors so that there is no information asymmetry and this theory through financial reports, this research design uses multiple linear analysis to determine the simultaneous influence of good corporate governance, earning management on firm value.

Investors and managers have similar information about the company's future prospects (Eugene and Joel 2010). Compared to outside parties like investors, firm management is more informed about the operations and prospects of the business. Giving investors signals is one way to address these issues and lessen the knowledge asymmetry that arises through the company's annual report, which contains financial and non-financial information that is credible or reliable and will provide certainty about the company's future sustainability prospects. The information received by investors can first be interpreted as a good signal or a bad signal, if the company's performance is good then investors will have a positive view of the company. Signal theory here explains how managers provide signals to investors to reduce information asymmetry through financial reports (Indrayani, Endiana, and Pramesti 2021).

Agency theory is a theory that explains the relationship between principals (capital owners) and agents (management). (Jensen and Meckling 2019) define an agency relationship where the principal employs an agent in the context of managing the company. The agreement between the principal and the agent is the basis for cooperation. The principel gives the agent decision-making authority and requires reporting from the agent as a measure of responsibility. (Yushita 2010) contends that when the principal finds it difficult to make sure the agent behaves in a way that maximizes the principle's welfare, agency difficulties occur. Agency theory states that a reporting system is one approach to match the objectives of the principal and agent (Luayyi 2012). Since one approach to lessen uncertainty is via information, accountants play a crucial role in sharing managers and owners risks.

The Effect of Independent Board of Commissioners on Firm Value

The independent board of commissioners in a company functions as a supervisor of manager management and ensures that management is carried out in accordance with company strategy by providing direction and monitoring. The independent board of commissioners plays a crucial role in establishing sound corporate governance procedures by serving as a liaison between management and stakeholders. The presence of independent commissioners is meant to promote the development of a more impartial atmosphere and workplace, establish equity and justice for all interests, including those of minority stakeholders and other stakeholders, and positively affect the value of the company (PUTRI KARTIKA SARI and SANJAYA 2019). This refers to agency theory, the presence of an independent board of commissioners can reduce agency conflicts within the company and focus efforts on increasing company value (Hidayat et al. 2021).

Empirical evidence researched by (Hidayat et al. 2021), (Irmalasari, Gurendrawati, and Muliasari 2022) and (Rahmayanti 2022) discovered that having more independent commissioners in a corporation helps improve oversight of management's actions and output in order to represent stakeholders. In addition, it can positively affect the firm's value.

H1 : The Independent Board of Commissioners has a Positive Effect on Company Value.

The Effect of the Board of Directors on Firm Value

The board of directors has the authority and responsibility for activities related to the company, such as allocating resources, improving company performance and increasing stakeholders wealth. The number of boards of directors can affect firm value where this can affect control and monitor the condition of the company (Carolina, Vernnita, and Christiawan 2020). On the other hand, the increasing size of the board of directors can also lead to agency problems where more agents have the aim of getting large salaries and bonuses. This refers to agency theory where these conditions conflict with the objectives of the company owner, namely to get the maximum return on the investment that has been channeled to the company. The existence of information asymmetry between managers and stakeholders results in differences in interests that favour managers. Managers have better information than stakeholders (Emanuel et al. 2022).

The number of boards of directors that is in accordance with the needs of the company can increase company value, this is in line with research conducted by (Sondokan, Koleangan, and Karuntu 2019), (Mishra and Kapil 2017) and (Arlianzy, Syam, and Aminah 2022) which state that too many boards of directors in a company can reduce company value due to lack of effectiveness in communication and coordination.

H2 : The Board of Directors has a Negative Effect on Firm Value.

The Effect of Audit Committee on Firm Value

Helping the board of commissioners carry out the required assessments of how the board of directors' duties are being carried out. One of the pillars of the board's overall control function is an impartial audit committee. The independence of the audit committee is deemed essential due to its interest in guaranteeing the company's financial stability and monitoring the reporting procedure (Ellstrand et al. 1970). The audit committee is one of the corporate governance mechanisms that can reduce manipulation and fraud practices by upholding the principles of corporate governance, transparency, responsibility, fairness, and accountability which in the process inhibit fraudulent practices in the company (Widianingsih 2018). This refers to agency theory where agency problems arise when the principal has difficulty ensuring that the agent acts to maximise the principal's welfare.

The audit committee plays an important and strategic role in a company to maintain the credibility of the process of preparing financial statements made by managers. In addition, the audit committee can also inhibit management behaviour in suppressing earnings management. This is in line with the research of (Amaliyah and Herwiyanti 2019), (Arlianzy et al. 2022) and (Azaria dan Muslichah 2021). The existence of supervision by a quality audit committee will ensure that it is able to increase firm value. so that the company's image is good and makes investors interested in the company.

H3 : The Audit Committee has a Positive Effect on Firm Value.

The Effect of Earnings Management on Firm Value

Earnings management practices in the company can affect the increase in firm value, this is because the company can present the best possible financial statements The emergence of earnings management can be explained by agency theory. In their capacity as agents, managers have a moral obligation to maximize the owners' (principals') profits in exchange for payment in line with the terms of the agreement. Thus there are two different interests in the company where each party seeks to achieve or maintain the desired level of prosperity. The manager as the manager of the company knows more internal information and future prospects of the company than the owner (stakeholders) (Putri 2019).

Earnings management activities can provide positive signals to investors about future performance through company earnings. This is in line with empirical evidence conducted by research by (Winarta, Natalia, and Sulistiawan 2021), (Riswandi and Yuniarti 2020), and (Azaria dan Muslichah 2021).

H4 : Earnings Management Has a Positive Effect on Firm Value.

METHODS

In conducting this research, the approach used is quantitative method. According to (Sugiyono 2016) The positivist philosophy underpins the quantitative research method, which is typically employed when studying particular populations or samples, gathering data with instruments or research tools, and analyzing quantitative data to test preexisting hypotheses.

[Table 1. Definitions Operational Variable Study]

RESULTS AND DISCUSSION

The Based on table 2, the number of company samples is 31 companies with a total of 155 observations and it can be concluded that the company value Contains a minimum of 0.00, a maximum value of 1.66, an average value of 0.8457, along with a standard deviation of value of 0.41180. The independent board of commissioners Contains a minimum of 0.33 and a maximum of 0.60, an average value of 0. along with a standard deviation of 0, 12371. The board of directors Contains a minimum of 2, a maximum value of 15, an average value of 4.3556 along with a standard deviation of 2.25514. The audit committee Contains a minimum of 0.00 and a maximum of 0.67, an average value of 0.3579 along with a standard deviation of 0.13704. Earnings management Contains a minimum of -0.39, a maximum of 0.51, an average of 0.0616 along with a standard deviation of 0.17997.

[Table 2. Descriptive Statistics]

Table 3 shows that the Kolmogorov-Smirnov test for firm value shows a significance of 0.200. So, it can be concluded that the regression model residuals are normally distributed because the resulting significance value is 0.200> 0.05.

[Table 3. Normality Test]

Based on table 4, the VIF value of DKI is 1.004, DD A is 1.159, KA is 1.122, and earnings management is 1.041. Overall, it can be seen that the VIF value shows a value of less than 10 and a tolerance value of more than 0.1 by each independent variable, namely 0.996, 0.863, 0.891, and 0.961. Therefore, the research sample data does not exhibit any multicollinearity signs. 4.2.3 Heteroscedasticity Test Results The heteroscedasticity test is used to test whether in a regression model there is an inequality of variance from the residuals of one observation to another. This test uses the Spearman Rho test with decision making if the significance value is greater than 0.05 then there is no heteroscedasticity.

[Table 4. Multicollinearity Test]

Based on table 5, the significance value of DKI is 0.950, DD is 0.397, KA is 0.938, and earnings management is 0.849. From these results it is known that the data as a whole shows a significance value greater than 0.05, so it can be concluded that the data does not occur heteroscedasticity problems. 4.2.4 Autocorrelation Test Results The autocorrelation test is used to test whether there is a correlation between confounding errors in period t and confounding errors in period t-1 (previous period). research is considered to be free of autocorrelation symptoms in this context using the Durbin-Watson test if the Durbin Watson value falls between dU and (4-dU) or may be expressed as follows: dU < dW < 4-dU.

[Table 5. Heteroscedasticity Test]

Based on table 6, it is known that the durbin watson value is 2.117. This study uses 3 independent variables (k = 4) and samples (N = 90), so the dL value is 1.5656, dU is 1.7508 and 4-dU is (4-1.7508) = 2.2492. From the results obtained, it can be concluded that the value of 1.7508 < 2.117 < 2.2492, which means that the data is free from autocorrelation problems.

[Table 6. Autocorrelation Test]

Based on table 7, the multiple linear regression equation is obtained as Y = 0.717 - 0.241X1 + 0.050X2 + 0.127X3 - 0.505 + e, so that from the linear equation it can be concluded that: a. The constant value (a) is 0.717 which indicates that if the variables of the Independent Board of Commissioners, Board of Directors, Audit Committee, and Earnings Management are held constant at zero, then the Company Value is 0.717. b. The coefficient value of the independent board of commissioners is -0.241, which means that if the other independent variables are constant and the independent board of commissioners increases, the company value decreases by 0.241. c. The coefficient value of the board of directors is 0.050. This shows that if the other independent variables are constant and the board of directors increases, the company value will increase by 0.050. d. The coefficient value of the audit committee is 0.127, which means that if the other independent variables are constant and the audit committee increases, the company value will increase by 0.127. e. The coefficient value of earnings management is -0.505, which means that if the other independent variables are constant and earnings management increases, the firm value will decrease by 0.505.

[Table 7. Multiple Linear Regression Test Result]

The computed t value for each variable is known based on Table 8. First, identify the t table that was employed in order to derive the conclusion of the t test findings. The t table value is obtained from N-K, where N is the number of samples and K is the number of independent and dependent variables. So that df = N-K = 90 - 5 = 85, the makat table is 1.988 with a significance of 5% (0.05). Based on these results, it can be concluded that : a. The DKI variable obtained a significance value of 0.479> 0.05 while the t count showed a value of -0.711> t table of 1.988, so it can be concluded that H1 is rejected, which means that the independent board of commissioners has no partial effect on firm value. b. The DD variable obtained a significance value of 0.014 <0.05, while the t count shows the result of 2.518> t table of 1.988, so it can be interpreted that H2 is rejected, which means that the board of directors has a partial effect on firm value. c. The KA variable obtained a significance value of 0.696> 0.05, while the t count shows the result of 0.393 < t table of 1.988, so it can be concluded that H3 is rejected, which means that the audit committee has no partial effect on firm value. d. The earnings management variable obtained a significance value of 0.037 <0.05, while the t count shows the result -2.124 <t table of 1.988, so it can be concluded that H4 is accepted, which means that earnings management has a partial effect on firm value.

[Table 8. Partial Test Results (t Test)]

Based on table 9, it is known that t h e coefficient of determination is 0.076. This value can be interpreted that the variables of the Independent Board of Commissioners, Board of Directors, Audit Committee, and Earnings Management are independently determined. simultaneously able to affect the Company Value by 7.6%, while the remaining 92.4% is influenced by other factors not observed in this study.

[Table 9. Test Results of the Coefficient of Determination (R2)]

The Effect of Independent Board of Commissioners on Firm Value

The results of the first hypothesis test show that the independent board of commissioners has no effect on firm value. This shows that the selection of an ineffective independent board of commissioners has an impact on practicing good corporate governance as a bridge between stakeholders and managers to encourage the creation of a more objective climate and work environment and place fairness and equality between various interests including the interests of minority stakeholders and stakeholders as decision making in the company cannot provide optimal results on firm value. This is an important issue that many members of the independent board of commissioners cannot demonstrate their independence, so that the supervisory function of the independent board of commissioners does not run well.

The study's findings contradict agency theory, which holds that the more independent commissioners there are, the better it is to supervise and control the actions of executive directors and the actions of directors in connection with opportunistic behavior (Jensen and Meckling 2019). This study proves that the existence of independent commissioners has no effect on firm value and is only a demand for regulatory fulfilment, so that the task of supervising is ineffective.

The findings of this investigation are consistent with those of studies conducted by (Laksono 2021), (Azaria dan Muslichah 2021), and (Amaliyah and Herwiyanti 2019) which show that the number of independent commissioners has no effect on firm value because independent commissioners cannot demonstrate their independence so that the function of supervision and control over management behavior and performance is not optimal. This may be due to the existence of independent commissioners only as a formality to fulfil regulations from the Financial Services Authority (OJK) so that independent commissioners do not carry out the monitoring function properly.

Effect of Board of Directors on Firm Value

The results of the second hypothesis test show that the board of directors has an effect on firm value. This shows that the role of the board of directors has a good impact on firm value. The board of directors has the authority and responsibility for activities related to the company, such as allocating resources, improving company performance and increasing stakeholders wealth. The number of boards of directors can affect firm value where this can affect control and monitor the condition of the company.

The study's findings are supported by agency theory, which states that by choosing and allocating the amount of agents who will run the business, principals may reduce the likelihood of agency issues. A company's performance and value may be maximized with the appropriate board size. This may occur as a result of the several boards of directors having an impact on the directors' oversight and control over the company's situation.

The results of this study are in line with the results of research from (Putra 2016) and (Veronica 2013) which show that the existence of the board of directors is also considered to improve company services and show that good governance has been carried out by the company. A company's short- and long-term strategy and the policies to be implemented might be decided by the board of directors. The board of directors must ensure that the company has fully implemented all the provisions stipulated in the articles of association and applicable laws and regulations. The greater the number of boards of directors, the greater the likelihood that the company's strategy will be achieved and this will certainly increase the value of the company in the eyes of investors and potential investors.

The Effect of Audit Committee on Firm Value

The results of the third hypothesis test show that the audit committee has no effect on firm value. This is because the role of the audit committee is not optimal in carrying out the supervisory function. to the company's management, on the company's activities related to the review of financial information, internal control, risk management, the effectiveness of internal and external auditors and compliance with applicable laws and regulations. As a result, there can be management accountability that is not transparent and can result in decreased investor confidence so that it can cause the audit committee to have no good impact on firm value.

The results of this study are not in accordance with agency theory which states that agency problems arise when the principal has difficulty ensuring that the agent acts to maximize the principal's welfare. In increasing company value, investors do not solely look at the number of audit committees, the number of audit committees in the company cannot be used as a reference that will have a good impact on company value. According to (Governance 2006) the number of audit committee members is adjusted to the complexity of the company while still paying attention to effectiveness in decision making.

The findings of this investigation are consistent with those of studies conducted by (Laksana and Handayani 2022), (Christiani and Herawaty 2019), (Gusriandari et al. 2022), and (Irmalasari et al. 2022) which show that the number of audit committees has no effect on firm value because the audit committee is not optimal in carrying out its duties and functions to assist the board of commissioners in carrying out its duties.

The Effect of Earnings Management on Firm Value

The results of the fourth hypothesis test show that earnings management affects firm value. This is because companies practice earnings management so that companies can provide good signals to investors by presenting the best possible financial statements. The results of this study provide several implications for investors who are expected to be able to provide information to stakeholders regarding how managers tend to carry out earnings management.

The incidence of earnings management can be explained by agency theory. As agents, managers are morally responsible for optimizing the profits of the owners (principals) and in return will receive compensation in accordance with the contract. Thus, there are two different interests in the company where each party seeks to achieve or maintain the level of prosperity desired by the manager.

The findings of this investigation are consistent with those of studies conducted by (Winarta et al. 2021), (Riswandi and Yuniarti 2020), and (Azaria and Muslichah 2021) that earnings management activities can provide signals to investors about future performance through company income. One way to increase company value is to carry out earnings management. Earnings management practices, the company will present the best possible financial statements so that the company value can increase. However, earnings management practices can increase firm value on a small scale.

CONCLUSION

The independent board of commissioners and audit committee have no effect on firm value. This shows the number of independent commissioners and audit committees because they cannot demonstrate their independence so that the function of supervision and control over management behavior and performance is not optimal. This may be due to the existence of independent commissioners and audit committees only as a formality to fulfil regulations from the Financial Services Authority (OJK) so that independent commissioners and audit committees do not carry out the monitoring function properly. The board of directors has an effect on firm value, this is because the right size of the board of directors will be able to maximize company performance and increase company value. This can happen because the large number of boards of directors can affect the control and monitoring of the directors regarding the state of the company. Earnings management affects firm value, this is because companies that practice earnings management can increase firm value and can benefit the principal and agent by presenting the best possible financial statements.

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LIST OF TABLES

Table 1 / *Definitions Operational Variable Study*

No	Variable	Definition	Measurement
1	Firm Value	Firm value is defined as market value because firm value can provide maximum shareholder prosperity if the company's share price increases (Winarta et al. 2021). The company value in this study is calculated using Price To Book (Baldick and Jang 2020) A high PBV (Price Book Value) will make the market believe in the company's project and increase the company's value.	$\frac{Sheare\ Price}{Book\ Value}$
2	Independent Board of Commissioners	independent commissioners are those who do not have any affiliation or business ties with the company, and only serve as directors (Liu, Karahanna, and Watson 2011).	$\frac{Number\ of\ Independent}{Commissioners\ Number\ of\ Commissioners}$
3	Board of Directors	The board of directors is the main component of the implementation of company management. According to POJK Number 33 of 2014, the board of directors is an organ of the organization that has full authority and responsibility for the management of the organization for the purpose of the organization itself.	In Number of Board Members
4	Audit Committee	According to (Keuangan 2015) the audit committee is a committee that is established, appointed and dismissed by the company's board of commissioners and carries out its duties professionally and independently.	$\frac{Number\ of\ Independent\ Commissioners\ in\ the\ Audit\ CommitteeNumber\ of\ Independent}{Number\ of\ Audit\ CommitteeNumber\ of\ Commissioners}$
5	Earnings Management	Earnings management is an accounting method action taken deliberately by company management to manipulate earnings on profit information so that the financial statements do not match the facts (Insyaroh and Widiatmoko 2022). Earnings management in this study is measured by discretionary accruals as a proxy for earnings management calculated using (Dechow, Sloan, and Sweeney 1995)	$\frac{TAit}{Ait-1} - NDAit$

Source : Simplification by author (2024)

Table 2 / *Statistics Descriptive*

	N	Minimum	Maximum	Mean	Std. Deviation
Firm Value	90	0.00	1.66	0.8457	0.41180
Independent Board of Commissioners	90	0.33	0.80	0.4366	0.12371
Board of Directors	90	2.00	15.00	4.3556	2.25514
Audit Committee	90	0.00	0.67	0.3579	0.13704
Earnings Management	90	-0.39	0.51	0.0616	0.17997
Valid N (listwise)	90				

Source : Processed Data (2024)

Table 3 / *Normality Test*

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		90
Normal Parameters[a,b]	Mean	0.0000000
	Std. Deviation	0.38691303
Most Extreme Differences	Absolute	0.056
	Positive	0.053
	Negative	-0.056
Test Statistic		0.056
Asymp. Sig. (2-tailed)		0.200

Source : Processed Data (2024)

Table 4 / *Multicollinearity Test*

Coefficients[a]

Model	Collinearity Statistics	
	Tolerance	VIF
Independent Board of Commissioners	0.996	1.004
Board of Directors	0.863	1.159
Audit Committee	0.891	1.122
Earnings Management	0.961	1.041

Source : Processed Data (2024)

Table 5 / *Heteroscedasticity Test*

Correlations

			Independent Board of Commissioners	Board of Directors	Audit Committee	EarningsManagement	Unstandardized Residual
Spearman's rho	Independent Board of Commissioners	Correlation Coefficient	1.000	0.071	0.003	-0.063	0.007
		Sig. (2-tailed)		0.508	0.979	0.553	0.950
		N	90	90	90	90	90
	Board of Directors	Correlation Coefficient	0.071	1.000	0.128	0.130	0.090
		Sig. (2-tailed)	0.508		0.230	0.221	0.397
		N	90	90	90	90	90
	Audit Committee	Correlation Coefficient	0.003	0.128	1.000	-0.036	-0.008
		Sig. (2-tailed)	0.979	0.230		0.737	0.938
		N	90	90	90	90	90
	EarningsManagement	Correlation Coefficient	-0.063	0.130	-0.036	1.000	0.020
		Sig. (2-tailed)	0.553	0.221	0.737		0.849
		N	90	90	90	90	90
	Unstandardized Residual	Correlation Coefficient	0.007	0.090	-0.008	0.020	1.000
		Sig. (2-tailed)	0.950	0.397	0.938	0.849	
		N	90	90	90	90	90

Source : Processed Data (2024)

Table 6 / *Autocorrelation Test*

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.342[a]	0.117	0.076	0.39591	2.117

Source : Processed Data (2024)

Table 7 / *Multiple Linear Regression Test Result*

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	0.717	0.198		3.619	0.001
	Independent Board of Commissioners	-0.241	0.340	-0.073	-0.711	0.479
	Board of Directors	0.050	0.020	0.276	2.518	0.014
	Audit Committee	0.127	0.324	0.042	0.393	0.696
	EarningsManagement	-0.505	0.238	-0.221	-2.124	0.037

Source : Processed Data (2024)

Table 8 / *Partial Test Results (t Test)*

Coefficients[a]

Model	t	Sig.
(Constant)	3.619	0.001
Independent Board of Commissioners	-0.711	0.479
Board of Directors	2.518	0.014
Audit Committee	0.393	0.696
EarningsManagement	-2.124	0.037

Source : Processed Data (2024)

Table 9 / *Test Results of the Coefficient of Determination (R2)*

Model Summary[b]

Model	Adjusted R Square
1	0.076

Source : Processed Data (2024)