

CHAPTER V

CONCLUSION, SUGGESTION AND LIMITATION

5.1. Conclusion

Based on data analysis that has been done, researcher may draw following conclusions:

1. Independent commissioner boards proportion does not negatively affect earnings management.
2. Commissioner boards size does not negatively affect earnings management.
3. Audit committee does negatively affect earnings management.
4. Concentrated ownership does negatively affect earnings management.
5. Culture does affect earnings management.

5.2. Research Limitations and Suggestions

This study has several limitations, they are:

1. Sample for this study only consist of 47 manufacturing companies. Upcoming research can use a bodder range of industry to increase the number of samples.
2. This study only analyze the effect of proportion independent commissioner board, board size, audit committee, concentrated ownership and culture on earnings management. There are many other variables that play a role in

affecting earnings management. Therefore, further research is expected to add other variables deemed to affect earnings management, such as institutional ownership, managerial ownership and size of company.

3. Concentrated ownership is calculated based on the largest percentage of ownership by individual or group. The researcher did not identify relationship among owners eventhough such relationship may exist. Subsequent research should identify whether or not relationships exist among owners. This will affect the calculation of concentrated ownership.

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LAMPIRAN I

Descriptives

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Earnings management	47	-.20	1.09	.0811	.23887
Independent commissioner board proportion	47	.20	1.00	.4229	.15892
Commissioner board size	47	3.00	11.00	5.8723	2.28051
Audit committee	47	.00	.50	.3121	.12221
Concentrated ownership	47	10.17	96.65	60.2716	21.58725
Culture	47	.33	1.00	.8615	.19771
Valid N (listwise)	47				



Normality Test

One-Sample Kolmogorov-Smirnov Test

		Unstandardize d Residual
N		47
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	.23559144
Most Extreme Differences	Absolute	.144
	Positive	.144
	Negative	-.093
Kolmogorov-Smirnov Z		.986
Asymp. Sig. (2-tailed)		.286

a. Test distribution is Normal.

b. Calculated from data.



LAMPIRAN III

Multicollinearity Test

Variables Entered/Removed^b

Model	Variables Entered	Variables Removed	Method
1	Culture, Audit committee , Independent commissioner board proportion , Concentrated ownership, Commissioner board size	.	Enter

a. All requested variables entered.

b. Dependent Variable: Earnings management

Coefficients^a

Model		Collinearity Statistics	
		Tolerance	VIF
1	Independent commissioner board proportion	.865	1.156
	Commissioner board size	.704	1.420
	Audit committee	.693	1.444
	Concentrated ownership	.850	1.177
	Culture	.900	1.111

a. Dependent Variable: Earnings management



LAMPIRAN IV

Heteroscedasticity Test

Variables Entered/Removed^b

Model	Variables Entered	Variables Removed	Method
1	Culture, Independent commissioner board proportion , Commissioner board size , Audit committee , Concentrated ownership ^a	.	Enter

a. All requested variables entered.

b. Dependent Variable: ABSY

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.285 ^a	.081	-.031	.16362

a. Predictors: (Constant), Culture, Independent commissioner board proportion , Commissioner board size , Audit committee , Concentrated ownership

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.097	5	.019	.723	.610 ^a
	Residual	1.098	41	.027		
	Total	1.194	46			

a. Predictors: (Constant), Culture, Independent commissioner board proportion , Commissioner board size , Audit committee , Concentrated ownership

b. Dependent Variable: ABSY

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.006	.146		.043	.966
	Independent commissioner board proportion	-.131	.160	-.129	-.819	.417
	Commissioner board size	.010	.011	.141	.892	.377
	Audit committee	-.015	.212	-.012	-.072	.943
	Concentrated ownership	.002	.001	.251	1.542	.131
	Culture	.061	.127	.075	.479	.635

a. Dependent Variable: ABSY



Autocorrelation Test

Variables Entered/Removed^b

Model	Variables Entered	Variables Removed	Method
1	Culture, Independent commissioner board proportion , Commissioner board size , Audit committee , Concentrated ownership ^a	.	Enter

a. All requested variables entered.

b. Dependent Variable: Earnings management

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.603 ^a	.363	.285	.20191	1.860

a. Predictors: (Constant), Culture, Independent commissioner board proportion , Commissioner board size , Audit committee , Concentrated ownership

b. Dependent Variable: Earnings management

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.953	5	.191	4.676	.002 ^a
	Residual	1.672	41	.041		
	Total	2.625	46			

a. Predictors: (Constant), Culture, Independent commissioner board proportion , Commissioner board size , Audit committee , Concentrated ownership

b. Dependent Variable: Earnings management

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.785	.180		4.354	.000
	Independent commissioner board proportion	-.060	.198	-.040	-.304	.762
	Commissioner board size	-.002	.014	-.017	-.132	.896
	Audit committee	-.593	.262	-.304	-2.267	.029
	Concentrated ownership	-.003	.002	-.312	-2.297	.027
	Culture	-.319	.157	-.264	-2.036	.048

a. Dependent Variable: Earnings management



Regression

Variables Entered/Removed^b

Model	Variables Entered	Variables Removed	Method
1	Culture, Independent commissioner board proportion , Commissioner board size , Audit committee ^a , Concentrated ownership	.	Enter

a. All requested variables entered.

b. Dependent Variable: Earnings management

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.603 ^a	.363	.285	.20191

a. Predictors: (Constant), Culture, Independent commissioner board proportion , Commissioner board size , Audit committee , Concentrated ownership

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Coefficients^a

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	Concentrated ownership	-.003	.002	-.312	-2.297	.027
	Culture	-.319	.157	-.264	-2.036	.048

a. Dependent Variable: Earnings management



2006

No	Nama Perusahaan	Kode	Independent commissioner	Board Size	Komite Audit	Concentrated ownership	Culture	Earnings Management
1	PT Astra Graphia Tbk	ASGR	0.3333	3	0.3333	76.87	1	0.0169
2	PT Astra International Tbk	ASII	0.5556	9	0.0000	50.11	1	0.1465
3	PT Astra Otoparts Tbk	AUTO	0.4000	5	0.3333	86.72	0.86	0.1108
4	PT Budi Acid Jaya Tbk	BUDI	0.3333	3	0.3333	19.73	1	0.2714
5	PT Fast Food Indonesia Tbk	FAST	0.3333	6	0.5000	43.77	1	0.2904
6	PT Unilever Indonesia Tbk	UNVR	0.8000	5	0.3333	85	0.67	0.2430
7	PT United Tractors Tbk	UNTR	0.3333	6	0.3333	58.45	1	0.1533

2007

No	Nama Perusahaan	Kode	Independent commissioner	Board Size	Komite Audit	Concentrated ownership	Culture	Earnings Management
1	PT Astra Graphia Tbk	ASGR	0.3333	3	0.3333	76.87	1	-0.1889
2	PT Astra International Tbk	ASII	0.5000	10	0.0000	50.11	0.86	-0.0860
3	PT Astra Otoparts Tbk	AUTO	0.4286	7	0.3333	86.72	1	0.1046
4	PT Budi Acid Jaya Tbk	BUDI	0.4000	5	0.3333	20.94	1	-0.0002
5	PT Fast Food Indonesia Tbk	FAST	0.3333	6	0.5000	43.82	1	-0.1614
6	PT Indocement Tungal Prakasa Tbk	INTP	0.2857	7	0.3333	65.14	0.5	-0.2014
7	PT Unilever Indonesia Tbk	UNVR	0.8000	5	0.3333	85	0.67	-0.0515
8	PT United Tractors Tbk	UNTR	0.6000	5	0.3333	58.45	1	-0.0791

2008

No	Nama Perusahaan	Kode	Independent commissioner	Board Size	Komite Audit	Concentrated ownership	Culture	Earnings Management
1	PT Astra International Tbk	ASII	0.5000	10	0.0000	50.11	0.88	0.3267
2	PT Astra Otoparts Tbk	AUTO	0.3333	9	0.3333	93.91	1	0.3175
3	PT Budi Acid Jaya Tbk	BUDI	0.4000	5	0.3333	25.5	1	0.2878
4	PT Fast Food Indonesia Tbk	FAST	0.3333	6	0.5000	43.84	1	0.3673
5	PT Indocement Tungal Prakasa Tbk	INTP	0.4286	7	0.3333	65.14	0.5	0.3809
6	PT Merck Tbk	MERK	0.3333	3	0.3333	74	0.33	0.0528
7	PT Unilever Indonesia Tbk	UNVR	0.8000	5	0.3333	85	0.88	0.4116
8	PT United Tractors Tbk	UNTR	0.4000	5	0.3333	59.5	1	0.5535

2009

No	Nama Perusahaan	Kode	Independent commissioner	Board Size	Komite Audit	Concentrated ownership	Culture	Earnings Management
1	PT AKR Corporindo Tbk	AKRA	0.3333	3	0.3333	70.82	0.89	-0.0469
2	PT Astra International Tbk	ASII	0.5000	10	0.0000	50.11	0.89	0.0159
3	PT Astra Otoparts Tbk	AUTO	0.3333	9	0.3333	95.65	1	0.0515
4	PT Budi Acid Jaya Tbk	BUDI	0.4000	5	0.3333	25.91	1	0.0639
5	PT Fast Food Indonesia Tbk	FAST	0.3333	6	0.5000	43.84	1	-0.0433
6	PT Indocement Tungal Prakasa Tbk	INTP	0.4286	7	0.3333	50	0.5	-0.0292
7	PT Merck Tbk	MERK	0.3333	3	0.3333	74	0.43	0.2180
8	PT Perdana Bangun Pusaka Tbk	KONI	0.3333	3	0.3333	64.16	1	1.0897
9	PT Tunas Ridean Tbk	TURI	0.4000	5	0.2500	68.885	0.8	0.0917
10	PT Unilever Indonesia Tbk	UNVR	0.6667	8	0.3333	85	0.75	0.1365
11	PT United Tractors Tbk	UNTR	0.3750	8	0.3333	59.5	1	0.0193

2010

No	Nama Perusahaan	Kode	Independent commissioner	Board Size	Komite Audit	Concentrated ownership	Culture	Earnings Management
1	PT AKR Corporindo Tbk	AKRA	0.3333	3	0.3333	59.24	0.8	-0.1795
2	PT Astra Graphia Tbk	ASGR	0.3333	3	0.3333	76.87	1	-0.1968
3	PT Astra International Tbk	ASII	0.4545	11	0.0000	50.11	0.88	0.0912
4	PT Astra Otoparts Tbk	AUTO	0.3000	10	0.3333	96.65	1	0.1364
5	PT Budi Acid Jaya Tbk	BUDI	0.4000	5	0.3333	25.81	1	-0.1525
6	PT Fast Food Indonesia Tbk	FAST	0.3333	6	0.5000	43.84	1	-0.1243
7	PT Indocement Tunggul Prakasa Tbk	INTP	0.2857	7	0.3333	51	0.5	-0.0778
8	PT Kalbe Farma Tbk	KLBF	0.3333	6	0.3333	10.17	1	-0.0271
9	PT Merck Tbk	MERK	0.3333	3	0.3333	74	0.43	-0.1189
10	PT Perdana Bangun Pusaka Tbk	KONI	0.3333	3	0.3333	64.16	1	-0.1754
11	PT Tunas Ridean Tbk	TURI	0.2000	5	0.2500	43.84	0.75	-0.0923
12	PT Unilever Indonesia Tbk	UNVR	1.0000	6	0.3333	85	0.75	-0.0967
13	PT United Tractors Tbk	UNTR	0.5000	6	0.3333	59.5	1	-0.0093