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Three Factors Earnings Management Simultaneously Impact the Financial Performance of Food and Beverage Companies Period 2017-2021 Recorded Bei

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ABSTRACT: The objective of the study was to describe the impact of tax planning, management premiums, and information asymmetry on business performance in companies in the food and beverage subsector for the period 2017-2021 in IDX datasets. This research lasted 7 months. The study population included 30 companies and the samples used included only 14 companies during the 5 periods of this study, i.e. 70 observation samples. The main data collection techniques are observation and discussion. direct on-site observation by looking at each company's financial reports. The data analysis method used is Multiple Regression Analysis (SPSS). As a result, we found that tax planning, managerial premiums, and information asymmetry simultaneously impact the financial performance of food and beverage companies.

KEYWORDS: Three Factors, Earning Management, Financial Performance Company

I. INTRODUCTION

The performance situation of structured corporate financing is described in the annual financial statements. Financial report information is provided to stakeholders on the state of financial progress as well as cash flow of the company. Thus, financial reporting is a form of managerial responsibility for managing the company's finances (Setyawan, 2021). Having a financial position that focuses on the company's financial performance, including the company's cash flow, as well as providing financial information as the purpose of financial reporting to make the best decision for the company in the future (PSAK, 2017:1).

Some of the manager's actions to increase profits and minimize tax burden through changes in the company's financial reporting are useful to maximize their personal interests and always practice earning management (Afrizal, 2018). There is a high incentive to receive a large bonus and there is a possibility of asymmetry in the case of financial information that is not yet transparent. Therefore, managers will look for loopholes in accounting methods to practice profit maximization by reducing the tax burden on the state as much as possible while maximizing the state's profits. the interests of the company owners.

Brahmono et al. (2022) found that profit management practices negatively impact a firm's performance. Durana et al. (2022) said that profit manipulation reveals a hidden link between profit management and firm performance. Putri et al. 2018 states that managing positive profit practices has a significant impact on tax aggressiveness. Improved profit management is being implemented (Afrizal, 2018), reports that corporate tax plans have a positive impact on improving profit management. Management bonuses and (Syaddah et al., 2020) and (Azizi et al., 2018) have a significant impact on outcomes management compensation. Yando & Lubis (2018) and Syaddyah et al. (2020) positively noted that information asymmetry has an impact on revenue management practices, so the above three factors will have an impact on firm performance.

This research may contribute in the future to the application of tax planning, managerial premiums and information asymmetry in companies that affect the choices of company owners in implementing revenue management mechanisms so that a company's performance can be enhanced, and helps investors evaluate the company make a decision about the extent to which business owners are employing tax planning mechanisms and managerial premiums associated with information asymmetry that can enhance the returns management of managerial practices to achieve maximum business performance.

LITERATURE REVIEW

Positive Accounting Theory

An Positive Accounting Theory Positive accounting theory is presented (Zimmerman, 1986). A competency of being able to understand the process of applying knowledge of accounting principles adapted to future challenging situations has been described through the efforts of positive accounting theory. This theory forecasts and explains accounting practices that management employs using report manipulation to maximize its interests (Indrawati, 2016).

Company Performance

Success in generating profits can be gauged by the company's performance in maintaining a company's level of stability. Through the financial management of a company, increased added value can be achieved for the company (Wiratna, 2017).

Tax Planning

Higher profits are always associated with regular corporate tax planning, so that companies always maximize their tax payments to the state. For this reason, managers try as much as possible to estimate the size of tax payments and determine how they can be reduced. Astutik (2016) said that tax savings without violating tax rules is the company's main focus to motivate managers to plan corporate taxes every year.

Managerial Premiums

All direct and indirect income in the form of money, goods/services and bonuses from the company to managers who are distinguished by their contribution to increasing the company's profits, so this management bonus means great importance to the managers for their hard work in increasing the company's performance (Elfira, 2014).

Information Asymmetry

Symmetrical information from management and information from third parties creates a situation of information symmetry so that market participants are encouraged to trade as best they can while expecting high volume as the expected return on investment (Easley & O'Hara, 2004).

This research model provides an overview of the three revenue management factors that can impact business performance:

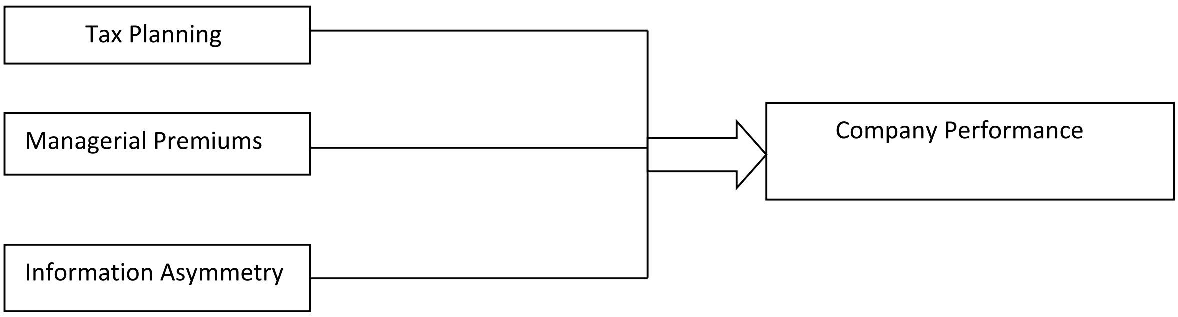


Figure 1. Research theoretical framework

The hypothesis formulated from this model based on previous research is as follows:H1 : Tax Planning, Managerial Premiums and Information Asymmetry impacts company performance

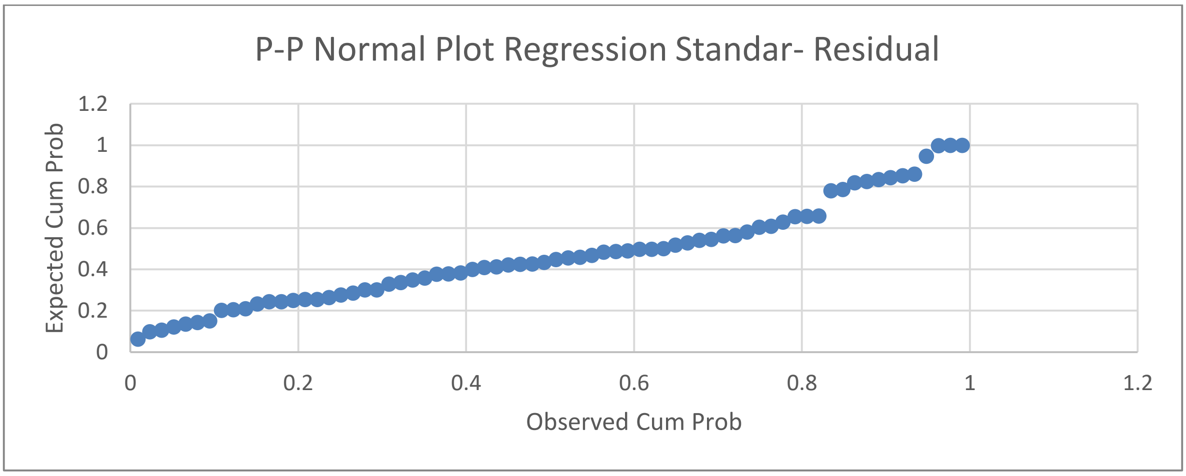
II. RESEARCH METHODOLOGY

This research is a descriptive causal research. From the data obtained, facts or events are identified as influencing factors in order to examine the affected variables. This research is planned in seven months. The population of this study consisted of food and beverage companies listed on the IDX for five years from 2017 to 2021, with a total sample of 70 observations. Data collection methods in this study include primary data and secondary data, primary data from observation and discussion using literature reviews, and secondary data from recorded BEI by SPSS data processing. The analysis used is multiple regression analysis method (SPSS). The purpose of the SPSS application is to inform that the three independent variables have a close relationship and have an impact on the dependent variable (Ahyar et al., 2020) states that the SPSS application is a strong analytical technique because it is independent and does not require large sample size. SPSS is intended for predictive causation with strong and high theoretical support in discussing the three factors of earnings management impacting company performance.

III. RESULTS AND DISCUSSION

The results of the first test of the normality of the food and beverage sub-sector company data show that the distribution is normal and the research is worthy of further investigation.

Table 1. Normal Plot Regression - Residual



Data table 1. Normal Plot Regression Residual show variables 1, 2, and 3 shows normally distribution data so that the hypothesis that tax planning, managerial premiums and information asymmetry impact company performance so that the hypothesis is accepted (Priyatno, Duwi. , 2014:90).

Table 2. Multiple Correlation Test

Mdel		Sm-Square	F	Values.
1	Regression	0,226	5,678	,001b
	Residual	0,646		
	Total	0,871		

Data table 2. Multiple Correlation Test shows parameter coefficients and values indicate hypotheses 1, 2, and 3 with a p-value <0.05 so that the hypothesis that tax planning, managerial premiums and information asymmetry have a close relationship and have a simultaneous effect on company performance so that the hypothesis is accepted.

Table 3. Pearson Correlation Test

Mdel Smary				
Mdel	R	R-Sqre	Adst-R-Sqre	Std-Err.of the Estim
1	,509a	,259	,213	0,09968
Predictors: (Const), Perencanaan_Pajak, Bonus_Manajemen, Asimetri_Informasi Depend-Var: Kinerja_Perusahaan				

The purpose of the correlation test is to determine the relationship between variables. The tests were performed using the Pearson correlation data in the correlation table. Interpret the strength of the relationship between the two variables using the following criteria: 0: there is no correlation between the two variables, > 0 - 0.25: the correlation is very weak, > 0.25 - 0.5: the correlation is sufficient, > 0, 5 - 0.75: Strong correlation, > 0.75 - 0.99 : Very strong correlation, 1 : Perfect correlation. So,Table 3 shows an R-value of 0.509, indicating that the three revenue management factors are strongly or closely related to company performance.

RESULT

The first result, Tax planning, bonus management, information asymmetry in revenue management affect company performance with a significant value of 0.001 < 0.05. This indicates that companies that are heavily involved in tax planning can provide investors with profitable information by manipulating financial information. When a company implements good tax planning, the company's performance will increase. Durana et al. (2022) said that companies often save on taxes, the large number of bonuses received by management and the manipulation of revenues due to high information asymmetry reveal hidden relationships of revenue management that affect company performance. Earning management is associated with an increase in changes in return on investments, which have greater variability, which affects the forecasting of investment risk and return for investors, which in turn affects investor confidence in the company (Rachmawati, 2017). Lestari (2018) found in his research that profitability is positively impacted by the return on investment on earning management.

The second result, Based on table 3. Correlation Test Results for Variables X1 and X2 with Y Variable shows an R number of 0.509, meaning that the correlation between the variables of tax planning, managerial premiums and information asymmetry with company performance proves that there is a strong relationship. The R Square number shows the percentage contribution of the independent variable to the dependent variable. The R Square number of 0.509 means that the percentage contribution of the independent variable to the dependent variable is 50.9% while the rest is influenced by other variables not included in this study. Broadly speaking, the ability of business actors' obligations to taxpayer transactions in tax planning is focused at a minimum but still within the scope of the current applicable tax rules, namely legal actions that are in accordance with the corridors of current tax regulations in Indonesia (Satyaningrum, 2016). Tanomi (2012), companies with bonus programs will influence managers to act to increase profits in order to obtain bonuses for personal gain and often receive bonuses (Pujiati, 2013). There is a lot of access to information and armed with knowledge of that information, managers as insiders tend to do opportunistic earnings management with the motivation of actual financial performance fraud, which can arise due to asymmetry in information obtained by shareholders and stakeholders (Utomo, 2013).

CONCLUSIONS

Results of the analysis show that tax planning, managerial premiums, and information asymmetry have a strong relationship and influence on the performance of companies in the food and beverage sub-sector. The limitations of this study, the sample used in this study was 150 and the data that could be analyzed were 70 observations so that different results might be obtained if using a larger sample or different objects.

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