

# ***The Influence of Free Cash Flow, Financial Distress, and Good Corporate Governance on Earning Management***

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## ***Abstract***

*This study aims to examine the effect of free cash flow, financial distress, and good corporate governance on earnings management in 33 healthcare sector companies listed on the Indonesia Stock Exchange during the 2021-2024 period. This research uses a quantitative approach utilizing secondary data in the form of companies' annual financial reports. Analysis is conducted using the Random Effects Model (REM) in panel data regression processed through STATA version 16 software. The results of the testing and analysis show that free cash flow negatively affects earnings management, financial distress positively affects earnings management, institutional ownership has no effect on earnings management, and the independent board of commissioners has no effect on earnings management.*

*Keywords: Earnings Management, Free Cash Flow, Financial Distress, Institutional Ownership, Independent Board of Commissioners*

# ***Pengaruh *Free Cash Flow*, *Financial Distress*, dan *Good Corporate Governance* Terhadap Manajemen Laba***

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## **Abstrak**

Studi ini bertujuan untuk mengkaji pengaruh free cash flow, financial distress, dan good corporate governance terhadap manajemen laba pada 33 perusahaan sektor kesehatan yang terdaftar di Bursa Efek Indonesia selama periode 2021-2024. Penelitian ini menggunakan pendekatan kuantitatif dengan memanfaatkan data sekunder berupa laporan keuangan tahunan perusahaan. Analisis dilakukan dengan menggunakan Random Effect Model (REM) pada regresi data panel yang diolah melalui perangkat lunak STATA versi 16. Hasil pengujian dan analisis menunjukkan bahwa free cash flow berpengaruh negatif terhadap manajemen laba, financial distress berpengaruh positif terhadap manajemen laba, kepemilikan institusional tidak berpengaruh terhadap manajemen laba, dan dewan komisaris independen tidak berpengaruh terhadap manajemen laba.

Kata kunci: Manajemen Laba, Free Cash Flow, Financial Distress, Kepemilikan Institusional, Dewan Komisaris Independen