

The Role of the Covid-19 Pandemic in Moderating the Effect of Financial Distress, Managerial Ability, and Audit Committee on Earnings Management

By Sisca Budyarti

Abstract

This study aims to examine the effect of Financial Distress, Managerial Ability, and Audit Committee on Earnings Management, with the COVID-19 Pandemic as a moderating variable. The data used are secondary data obtained from financial reports accessed through www.idx.co.id or the official websites of the respective companies. The research sample consists of 23 companies in the tourism, hotel, and restaurant subsectors. Samples were collected using a purposive sampling method, and data analysis was carried out using STATA version 17 with the Fixed Effect Model (FEM). The results show that financial distress has a significant positive effect on earnings management, while managerial ability and audit committee have no significant effect. In addition, the COVID-19 pandemic is found not to play a significant role in moderating the relationships between financial distress, managerial ability, or audit committee and earnings management. Therefore, based on these findings, only the first hypotheses of this study are accepted, while the others are rejected.

Keywords: *Financial Distress, Managerial Ability, Audit Committee, Earnings Management, COVID-19 Pandemic*

Peran Pandemi Covid-19 dalam Memoderasi Pengaruh *Financial Distress*, Kecakapan Manajerial, dan Komite Audit Terhadap Manajemen Laba

Oleh Sisca Budyarti

Abstrak

Riset ini mempunyai tujuan guna menyelidiki dampak *Financial Distress*, Kecakapan Manajerial, serta Komite Audit terhadap Manajemen Laba, dengan Pandemi Covid-19 selaku variabel moderasi. Data yang dipakai ialah data sekunder yang berasal dari laporan keuangan yang diakses dari www.idx.co.id atau laman resmi sejumlah industri terkait. Sampel riset ini berupa 23 industri subsektor pariwisata, hotel, dan restoran. Pengumpulan sampel dilakukan secara *purposive sampling method* dan analisa data dilaksanakan melalui penggunaan aplikasi STATA versi 17 melalui *Fixed Effect Model* (FEM). Hasil riset membuktikan jika *financial distress* memengaruhi dengan cara positif signifikan terhadap manajemen laba, sedangkan kecakapan manajerial dan komite audit memiliki tak memengaruhi secara signifikan terhadap manajemen laba. Selain itu, pandemi Covid-19 terbukti tak memiliki peran signifikan dalam melemahkan ataupun menguatkan korelasi antara *financial distress*, kecakapan manajerial, dan komite audit terhadap manajemen laba. Oleh karena itu, berlandaskan hasil riset ini, mampu ditarik kesimpulan bahwa hipotesis pertama yang dilakukan pengajuan pada riset ini dapat diterima, sementara hipotesis lainnya ditolak.

Kata kunci: *Financial Distress*, Kecakapan Manajerial, Komite Audit, Manajemen Laba, Pandemi Covid-19