The Influence of Free Cash Flow, Good Corporate Governance, and Corporate Social Responsibility (CSR) on Earnings Management

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Abstract

This study employs a quantitative method to examine the effect of free cash flow, good corporate governance as measured through institutional ownership and audit committee indicators, and corporate social responsibility (CSR) on earnings management in basic materials sector companies listed on the Indonesia Stock Exchange during the 2022–2024 period. A purposive sampling technique yielded 93 sample units, which were subsequently analyzed using a random effect model with multiple linear regression through the STATA 12 application. The results of this study indicate that free cash flow, institutional ownership, audit committee, and CSR have no significant effect on earnings management.

Keywords: *free cash flow, institutional ownership, audit committee, corporate social responsibility, and earnings management.*

Pengaruh *Free Cash Flow*, *Good Corporate Governance*, dan *Corporate Social Responsibility* terhadap Manajemen Laba

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Abstrak

Penelitian ini dilaksanakan dengan pendekatan kuantitatif guna membuktikan ada atau tidaknya pengaruh *free cash flow*, *good corporate governance* yang direpresentasikan oleh kepemilikan institusional dan komite audit, serta *corporate social responsibility* (CSR) terhadap manajemen laba. Penelitian ini mempergunakan populasi berupa perusahaan-perusahaan sektor *basic materials* yang secara resmi tercatat di Bursa Efek Indonesia selama periode pengamatan 2022–2024. Berdasarkan hasil seleksi dengan menerapkan metode *purposive sampling*, didapatkan total 93 sampel yang dimanfaatkan dalam penelitian ini. *Random effect model* dengan regresi linear berganda diterapkan dalam penelitian ini dengan mengaplikasikan perangkat lunak STATA 12. Hasil penelitian ini membuktikan bahwa *free cash flow*, kepemilikan institusional, komite audit, dan *corporate social responsibility* tidak memberikan pengaruh terhadap manajemen laba.

Kata kunci: *free cash flow*, kepemilikan institusional, komite audit, *corporate social responsibility*, dan manajemen laba.