

**THE IMPACT OF INSTITUTIONAL OWNERSHIP ON THE  
RELATIONSHIP BETWEEN CORPORATE SOCIAL RESPONSIBILITY  
AND EARNINGS MANAGEMENT**

**(Empirical Study on Manufacturing Industry Listed on IDX 2018-2020)**

**THESIS**

Presented as Partial Fulfilment of the Requirements for the Degree of

Sarjana Akuntansi (S1) in Accounting Program

Faculty of Business and Economics Universitas Atma Jaya Yogyakarta



**Compiled by:**

**Erika Putri Aviancy**

**Student ID Number: 18 15 24181**

**FACULTY OF BUSINESS AND ECONOMICS**

**UNIVERSITAS ATMA JAYA YOGYAKARTA**

**2022**

**Thesis Entitled**

**THE IMPACT OF INSTITUTIONAL OWNERSHIP ON THE  
RELATIONSHIP BETWEEN CORPORATE SOCIAL RESPONSIBILITY  
AND EARNINGS MANAGEMENT**

**(Empirical Study on Manufacturing Industry Listed on IDX 2018-2020)**

**Arranged by:**

**Erika Putri Aviancy**

**Student ID Number: 18 15 24181**

**Be accepted as partial fulfilment of the requirements for the Degree of  
Sarjana Akuntansi (S1) in International Undergraduate Program of Business  
Accounting**

**Faculty of Business and Economics Universitas Atma Jaya Yogyakarta**

**Advisor,**



**I Putu Sugiarta S., Dr., M.Si., Ak., CA.**

**Date: 11 July, 2022**



**Letter of Statement**  
**No. 930/J/I**

Based on the Thesis Defense results that has been held on Monday, 8 August 2022 with the following examiners:

- |   |          |
|---|----------|
| 1. Dr. I Putu Sugiarta Sanjaya, SE., M.Si., Akt., CA. | Chairman |
| 2. Anna Purwaningsih, SE., M.Si., Ak., CA.            | Member   |
| 3. MG. Fitria Harjanti, SE., M.Sc., CIIQA.            | Member   |

The examiners team has decided that:

Name : Erika Putri Aviancy  
Student Number : 181524181  
Program : International Undergraduate Program in Business Accounting

Has passed  
Without Revision

This letter of statement is made for Yudisium/Graduation of Bachelor of Accounting in Faculty of Business and Economics Universitas Atma Jaya Yogyakarta.

Dean,



FAKULTAS BISNIS  
DAN EKONOMIKA  
UNIVERSITAS ATMA JAYA YOGYAKARTA

Drs. Budi Suprpto, MBA., Ph.D.

**Alamat**

Kampus III Gedung Bonaventura  
Jalan Babarsari 43 Yogyakarta 55281

**URL**

<https://fbe.uajy.ac.id>

**Kontak**

Telepon : +62-274-487711 ext. 3120, 3127  
Fax : +62-274-4852117  
Surel : [fbe@uajy.ac.id](mailto:fbe@uajy.ac.id)



## **AUTHENTICITY ACKNOWLEDGEMENT**

I hereby declare that the thesis with the title:

**THE IMPACT OF INSTITUTIONAL OWNERSHIP ON THE  
RELATIONSHIP BETWEEN CORPORATE SOCIAL RESPONSIBILITY  
AND EARNINGS MANAGEMENT**

**(Empirical Study on Manufacturing Industry Listed on IDX 2018-2020)**

Is really my own thinking and writing. I fully knowledge that my writings does not contain other or parts of others writing, except for those that have been cited and mentioned it in the references.

Yogyakarta, 11 July, 2022



Erika Putri Aviancy

## ACKNOWLEDGEMENT

All glory for Almighty God, for His blessing and guidance, researcher is able to complete this undergraduate thesis entitled “The Impact of Institutional Ownership on the Relationship between Corporate Social Responsibility and Earnings Management”. Researcher would like to express her deepest gratitude towards:

1. Jesus Christ for His blessing and guidance towards researcher until now.
2. The researcher’s family members: Mama Cynthia, Papa Avian, Cici Ivone, Koko Kenny, Cici Melisa, Koko Dicky, Brandon.
3. Researcher’s supervisor, Mr. Putu. Thank you for always patiently guide the researcher during the process of compiling this undergraduate thesis.
4. Researcher’s academic supervisor, Ibu Wiwik Sunarni Ch., Dra., MSA., Akt. Thank you for always been thoughtful in guiding the researcher during her study.
5. All lecturers and personnel who always been helpful and thoughtful in assisting and supporting the researcher during her study. Researcher gained lots of precious knowledge and experiences.
6. Researcher’s best friends: Dorkas Setiawaty, Dharmawan and Kak Felicyta who always give advices and motivation towards the researcher.
7. IFAP 2018: Amel, Chiesa, Shalsa, Tata, Ivan, Lioni, Michael, Sheren who always helped researchers during her study.
8. All family of Beswan Djarum 36 and Koko Cici Jogja 2022 who have given a valuable knowledge for the researcher.

9. All other parties that could not be mentioned one by one.

Researcher hopes that this writing would be useful for those who need it.

Yogyakarta, 11 July, 2022



Erika Putri Aviancy



## MOTTO AND DEDICATION

*“However, as it is written:*

*What no eyes has seen,*

*what no ear has heard,*

*and what no human mind has conceived,*

*the things God has prepared for those who love him”*

(1 Corinthians 2:9)

**This thesis is dedicated to:**

Jesus Christ

My beloved family

## TABLE OF CONTENTS

	Page number
TITLE PAGE.....	i
THESIS APPROVAL.....	ii
AUTHENTICITY ACKNOWLEDGEMENT.....	iv
ACKNOWLEDGEMENT.....	v
MOTTO AND DEDICATION.....	vii
TABLE OF CONTENTS.....	viii
LIST OF TABLES.....	xi
LIST OF FIGURES.....	xiii
LIST OF APPENDICES.....	xiv
Abstract.....	xv
CHAPTER I: INTRODUCTION.....	1
Research Background.....	1
Research Problem.....	4
Research Objectives.....	4
Research Contributions.....	4
Writing Systematic.....	5
CHAPTER II: THEORITICAL BACKGROUND AND HYPOTHESIS DEVELOPMENT.....	7
2.1 Stakeholder Theory.....	7
2.2 Signalling Theory.....	8
2.3 Agency Theory.....	9
2.4 Corporate Social Responsibility.....	10
2.4.1 Definition and Characteristics of CSR.....	10
2.4.2 The Implementation of CSR.....	11
2.4.3 Benefits and Objectives of CSR Disclosure.....	12
2.5 Earnings Management.....	13
2.5.1 Definition of Earnings Management.....	13
2.5.2 The Motivations of Earnings Management.....	14
2.5.3 Technique of Earnings Management.....	16



2.5.4 Model of Earnings Management.....	18
2.6 Institutional Ownership.....	20
2.7 Previous Research .....	22
2.8 Hypotheses Development .....	27
2.8.1 The Impact of Corporate Social Responsibility on Earnings Management.....	27
2.8.2 The Impact of Institutional Ownership as Moderating Variable on the Relationship between Corporate Social Responsibility and Earnings Management.....	28
2.9 Research Model.....	30
<b>CHAPTER III: RESEARCH METHODOLOGY .....</b>	<b>31</b>
3.1 Types of Research .....	31
3.2 Research Object.....	31
3.3 Population and Sample .....	31
3.4 Technique of Data Collection .....	33
3.5 Measurement of Variables .....	33
3.5.1 Independent Variable .....	33
3.5.2 Dependent Variable.....	34
3.5.3 Moderating Variable .....	40
3.5.4 Control Variable.....	41
3.6 Technique of Data Analysis .....	42
3.6.1 Descriptive Statistics .....	42
3.6.2 Classical Assumption Test .....	42
3.7 Hypothesis Testing .....	45
3.7.1 T-Test .....	47
3.7.2 F-Test .....	47
3.7.3 Coefficient of Determination ( $R^2$ ) .....	47
<b>CHAPTER IV: DATA ANALYSIS AND DISCUSSION .....</b>	<b>49</b>
4.1 Descriptive Statistic.....	49
4.2 Classical Assumption Test.....	53
4.2.1 Normality Test .....	53

4.2.2 Multicollinearity Test.....	57
4.2.3 Heteroscedasticity Test.....	58
4.2.4 Autocorrelation Test.....	60
4.3 Hypothesis Testing .....	61
4.3.1 T-Test .....	62
4.3.3 F-Test .....	68
4.3.4 Coefficient of Determination ( $R^2$ ) .....	71
4.4 Discussion of Research Result .....	74
4.4.1 The Impact of Corporate Social Responsibility on Earnings Management. ....	74
4.4.2 The Impact of Institutional Ownership as Moderating Variable on the Relationship between Corporate Social Responsibility and Earnings Management. ....	76
CHAPTER V: CONCLUSION.....	80
5.1 Conclusion .....	80
5.2 Limitation and Suggestion .....	80
REFERENCES .....	82
APPENDICES.....	89

## LIST OF TABLES

Table 2.1 Summary of the Previous Research .....	22
Table 3.1 Research Sample .....	32
Table 3.2 Autocorrelation Decision Making .....	45
Table 4.1 Descriptive Statistics of DAC and REM Before Trimming	
Outlier Data .....	49
Table 4.2 Descriptive Statistics of DAC Model After Trimming	
Outlier Data .....	51
Table 4.3 Descriptive Statistics of REM Model After Trimming	
Outlier Data .....	52
Table 4.4 The Result of Normality Test of DAC Model	
(Before Outlier).....	54
Table 4.5 The Result of Normality Test of DAC Model	
(After Outlier) .....	55
Table 4.6 The Result of Normality Test of REM Model	
(Before Outlier).....	56
Table 4.7 The Result of Normality Test of REM Model	
(After Outlier).....	57
Table 4.8 Multicollinearity Test Result of DAC Model .....	58
Table 4.9 Multicollinearity Test Result of REM Model .....	58
Table 4.10 Heteroscedasticity Test Result of DAC Model.....	59
Table 4.11 Heteroscedasticity Test Result of REM Model.....	59
Table 4.12 Autocorrelation Test Result of DAC Model.....	60
Table 4.13 Autocorrelation Test Result of REM Model.....	61
Table 4.14 The Results of Regression Analysis for DAC Model 1.....	62
Table 4.15 The Results of Regression Analysis for DAC Model 2.....	63
Table 4.16 The Results of Regression Analysis for REM Model 1 .....	65
Table 4.17 The Results of Regression Analysis for REM Model 2 .....	67
Table 4.18 Regression Analysis F-Test of DAC Model 1 .....	69
Table 4.19 Regression Analysis F-Test of DAC Model 2 .....	69
Table 4.20 Regression Analysis F-Test of REM Model 1 .....	70

Table 4.21 Regression Analysis F-Test of REM Model 2.....	71
Table 4.22 Coefficient Determination of DAC Model 1 .....	72
Table 4.23 Coefficient Determination of DAC Model 2 .....	72
Table 4.24 Coefficient Determination of REM Model 1 .....	73
Table 4.25 Coefficient Determination of REM Model 2 .....	73



## LIST OF FIGURES

Figure 2. 1	Research Model .....	30
-------------	----------------------	----



## LIST OF APPENDICES

Appendix 1: Results of SPSS Data Processing .....	89
---	----



**THE IMPACT OF INSTITUTIONAL OWNERSHIP ON THE  
RELATIONSHIP BETWEEN CORPORATE SOCIAL RESPONSIBILITY  
AND EARNINGS MANAGEMENT**

**(Empirical Study on Manufacturing Industry Listed on IDX 2018-2020)**

**Erika Putri Aviancy**

**International Undergraduate Program of Business Accounting**

**Faculty of Business and Economics, Universitas Atma Jaya Yogyakarta**

**Supervised by:**

**I Putu Sugiarta S., Dr., M.Si., Ak., CA.**

**Abstract**

This research has the objective to provide empirical evidence about the impact of institutional ownership on the relationship between corporate social responsibility and earnings management. Data used in this research are secondary data, which are obtained from audited financial report, sustainability report, and annual report. The sample are determined by purposive sampling method with total 155 manufacturing companies listed in Indonesia Stock Exchange (IDX) from 2018 until 2020, therefore the total sample is 465. The results of this research show that (1) Corporate social responsibility has a negative impact on earnings management proxied by both discretionary accrual earnings management and real earnings management, (2) Institutional ownership strengthen the negative impact of corporate social responsibility on earnings management proxied by real earnings management, (3) Institutional ownership is not able to strengthen the negative impact of corporate social responsibility on earnings management proxied by discretionary accrual earnings management.

**Keywords:** *Corporate Social Responsibility, Discretionary Accrual Earnings Management, Real Earnings Management, Institutional Ownership.*