
THE INFLUENCE OF MANAGERIAL ABILITY AND FOREIGN OWNERSHIP ON FIRM VALUE: INCOME SMOOTHING AS MEDIATING VARIABLE

Suwandi Ng, Livia Chandra

Universitas Atma Jaya Makassar, Sulawesi Selatan, Indonesia

Email: swnd_ng@yahoo.com

Abstract

This research is aimed to investigate the effect of managerial ability and foreign ownership to decrease income smoothing as a mediating effect influence on value of firm. This research uses logistic regression analysis method to investigate the effect of managerial ability and foreign ownership on income smoothing, and multiple regression linear to investigate the effect of managerial ability, foreign ownership, and income smoothing on value of firm, and Sobel's test to investigate the effect of income smoothing as mediating variable. The results of this research shown that managerial ability have not a significant effect on income smoothing and firm performance, but foreign ownership have a significant effect on income smoothing and value of firm, and income smoothing have a significant effect on value of firm. In addition, Sobel's test results showed that income smoothing do not mediate the effect of managerial ability and foreign ownership on value of firm.

Keywords: managerial ability; foreign ownership; income smoothing; and value of firm.

INTRODUCTION

Investors are one of the keys so that the entity can continue to operate. This encourages managers to establish effective actions by increasing the value of the firm so that investors continue to give confidence to the entity. The value of firm can be measured by the market price of the company's shares, because the market price of the company's shares reflects the investor's overall assessment of each equity owned (Utami, 2017). The higher investor confidence in a company, the investor tends to increase investment in the company so that the company's stock price will be higher (Ng and Daromes, 2016). The amount of earnings obtained by a company is one of the factors that affect the stock price because in general an investor will invest in a company that has a fairly good profit.

This research is based on the value of firm that focus on *stakeholders*, in line with *stakeholder* theory where this theory focuses more on the position of *stakeholders* who are considered more influential (Iqbal, 2016) in increasing firm value. The phenomenon that occurred at PT Bukit Asam Tbk (PTBA) was recorded to obtain an increase in net profit of 60.2 percent in the second quarter of 2018 compared to the same period last year. This increase in net profit caused PTBA's share price to rise 1.56 percent. PTBA has been transacted 2,137 times with a volume of 9.03 million shares and a total transaction of Rp 41.13 billion. Based on this phenomenon, it can be concluded that the increase in the value of the company formed shows the level of confidence given by investors to invest in the company.

The company will always maintain its performance to get a positive response from *stakeholders* (Utami, 2017) to maintain and further increase the value of firm. One of the

company's performance measurements can be done by paying attention to financial statements. The freedom of choice of accounting methods in the preparation of financial statements allows managers to make *window dressing* efforts on their company's financial statements by taking advantage of loopholes in accounting standards (Solihin, 2004). This is one of the reasons that encourage managers to do earnings management.

The form of earnings management carried out is generally in the form of income smoothing. According to Saputra (2009), income smoothing can be explained by an agency theory approach. The act of income smoothing which is the result of earnings manipulation in the long run can produce losses to various parties that cause shareholders to increase costs for the company and there is a decrease in company earnings, this will reduce investor confidence so that it affects the entity stock price.

Managers are judged on the efficiency at which they generate revenue, intuitively appealing because it is more in line with the company's overarching goal of maximizing profits (Demerjian, *et al.*, 2012). As managerial ability increases, a manager will also avoid income smoothing because good manager performance allows high income results and provides profits and meets the needs of shareholders and other *stakeholders*. The view of "efficient contracting" according to Fama (1980) predicts that a well-known CEO (*Chief Executive Officer*) will take actions that result in quality earnings. Therefore, controlling shareholders will use managers who have the ability to manage and design efficient business processes and are able to make decisions that add value to the company to maximize profits and firm value, especially for controlling shareholders (Libby and Luft, 1993), so Febrianto (2014) suggests that the company's ownership structure also affects the sustainability of the company.

Ownership structure is a type of institution or company that holds the largest shares in a company (Wahyudi and Pawestri, 2006). The ownership structure includes concentrated ownership, foreign ownership, institutional ownership and managerial ownership (Verawati, 2012). Foreign ownership is defined as the percentage of a company's share ownership by foreign investors. Information asymmetry problems caused by geographical and language barriers (Verawati, 2012) as well as geographical distance and ignorance of local conditions can make foreign shareholders less influential in management and monitoring (Boardman, *et al.*, 1994). However, Alzoubi (2016) suggests that the increase in accounting knowledge and strengthening corporate governance in all foreign institutional investors allows companies to supervise their financial reporting systems and operating activities to be more efficient. In line with Chung, *et al.* (2004) which suggests that foreign ownership is active in preventing managerial behavior and lowering earnings management.

Thus the purpose of this study is to investigate the effect of managerial ability and foreign ownership to reduce income smoothing to increase value of firm, considering that the increase in company value in the future depends on the current management process of the company carried out by managers and shareholders to encourage investors in investing in the company.

METHOD RESEARCH

This type of research is *explanatory research* which aims to examine cause-and-effect relationships, namely the influence of independent variables on dependent variables. The independent variables in this study are managerial ability and foreign ownership, while the dependent variable in this study is company value. In addition to independent and dependent variables, in this study there is also a mediating variable, namely income smoothing. The population in this study is non-financial companies listed on the Indonesia Stock Exchange (IDX) for the period 2014-2017. The samples used in this study were selected by *purposive sampling* method.

The type of data used in this study is documentary data. In this study, researchers used data in the form of financial statements and annual reports of companies published by non-financial companies listed on the Indonesia Stock Exchange (IDX) for the period 2014-2017. The data source used in this study is secondary data. Secondary data in this study include financial statements and annual reports retrieved from the Indonesia Stock Exchange (IDX) database for the year 2014-2017 via the official website of www.idx.co.id.

RESULT AND DISCUSSION

Hosmer and Lemeshow's Goodness of Fit Test Results

Simultaneous testing of *Hosmer and Lemeshow's Goodness of Fit Test* (Ghozali, 2016) in this study is needed to see if a logistic regression model is hypothesized.

Table 1 Hosmer and Lemeshow Test Results

Model Structure	Chi-square	Df	Sig.	Information
Substructure 1	12,140	8	0.145	Accepted models

Source: SPSS Data Processing Results version 16 (2019)

The results of testing the equation in table 1 show the statistical value of *Hosmer and Lemeshow's Goodness of Fit Test* is greater than 0.05 with a significant level of 0.145. Thus, it can be concluded that simultaneous tests for models of the influence of managerial capabilities and foreign ownership on income smoothing are acceptable.

F Test Results (*F-test*)

The *F test (F-test)* is used to test whether or not there is a simultaneous influence of independent variables on the dependent variable and to find out whether regression models can be used to predict the dependent variable.

Table 2 Statistical Test Results F

Independent Variables	Dependent Variables	F	Sig.
Managerial Ability (X ₁)	Company Value (Y ₂) Profit Smoothing (Y ₁)	8,519	0,000
Foreign Ownership (X ₂)			
Profit Smoothing (Y ₁)			

Based on the results of the ANOVA test or *F-test* seen in table 2 shows that for substructure equation 2 which examines the effect of managerial ability, foreign ownership, and income smoothing on value of firm, it has a significant effect of $0.000 < 0.05$. This shows that there is an influence between managerial ability, foreign ownership, and income smoothing together (simultaneously) on the value of firm.

Cox and Snell's R Square Test Results

Cox and Snell's R Square (Ghozali, 2016) is a measure that tries to imitate the adjusted size of R^2 in *multiple regression* based on likelihood estimation techniques with a maximum value of less than 1 (one). The *Cox and Snell's R Square* test can be seen from the magnitude of the *Nagelkerke R Square* which is interacted like the value of R^2 in *multiple regression*.

Table 3 Cox and Snell's R Square Test Results

Model Structure	-2 Log Likelihood	Cox and Snell's R Square	Nagelkerke R Square
Structural Equations	141,884	0.081	0.113

The results of testing the structural equation in table 3 show the value of *Nagelkerke R Square* of 0.113 and *Cox & Snell R Square* of 0.081, which means that the variable ability of managerial ability, foreign ownership in explaining the variable of income smoothing is 0.113 or 11.3%.

Path Analysis Test Results

Hypothesis testing is performed using regression models in *path analysis* to predict the relationship between the independent variable and the dependent variable.

Table 4 Results of Path Equation Analysis

Model Structure	Standardized Beta	Sig.	Information
Substructure 1 (The effect of managerial ability and foreign ownership on income Smoothing)			
Managerial Ability (X_1)	0.078	0.924	NotSignificant
Foreign Ownership (X_2)	3,160	0.002	Significant
Substructure 2 (The effect of managerial ability, foreign ownership, and income smoothing on firm value)			
Managerial Ability (X_1)	0.036	0.673	NotSignificant
Foreign Ownership (X_2)	0.433	0.000	Significant
Profit Smoothing (Y_1)	-0.180	0.042	Significant

T-test results

The t test is used to determine whether or not the independent variables have a partial effect on the dependent variable in the regression. If the calculation results show a probability value of < 0.05 , it means that there is a significant partial influence between the independent variable and the dependent variable.

The results of the t test in this study can be seen in table 4 which has been presented earlier. The discussion of the t-test results is as follows:

1. The effect of managerial ability on profit smoothing is 0.078 with a probability of significance of 0.924, greater than 0.05. As a result, H₁, which claims that managerial competence has a significant influence on profit smoothing, is rejected
2. The effect of foreign ownership on profit smoothing is 3.160 with a probability of significance of 0.002, less than 0.05. As a result, H₂, which asserts that foreign ownership has significant effects on income smoothing, is accepted.
3. The effect of managerial ability on firm value is 0.036 with a probability of significance of 0.673, greater than 0.05. As a result, H₃, which claims that managerial competence has a significant effect on the value of the company, is rejected.
4. The effect of foreign ownership on the value of the company is 0.433 with a probability of significance of 0.000, less than 0.05. As a result, H₄, which asserts that foreign ownership has a significant effect on company value, is accepted.
5. The effect of income smoothing on firm value is -0.180 with a probability of significance of 0.042, less than 0.05. As a result, H₅, which asserts that income smoothing has a significant influence on company value, is accepted.

Sobel Test Results

Testing the mediation hypothesis can be done using the *sobel test*. This sobel test is performed to test the strength of the indirect influence of the independent variable (X) on the dependent variable (Y) through the mediation variable (M) or in other words test the significance of the indirect influence.

Table 5 Sobel Test Results

Combination of Variables	Estimated Value	Standard Error	P Value of Sobel Test	Information
$x_1 \rightarrow y_2$ via y_1	0.078; -0.245	0.817 ; 0.119	0.92402193	Not Significant
$x_2 \rightarrow y_2$ via y_1	3.160; -0.245	1,037 ; 0.119	0.08801696	Not Significant

Based on the outcomes of the Sobel test analysis in Table 5, the influence of management skill (X 1) on firm value (Y 2) via income smoothing (Y1) has a probability value of significance of $0.924 > 0.05$. This shows that income smoothing does not mediate the influence of managerial ability on the value of the firm. As a result, H₆, which asserts that income smoothing mediates the influence of management competence on firm value, is rejected.

The effect of foreign ownership (X 2) on the value of the company (Y₂) through income smoothing (Y₁) has a probability of significance of $0.088 > 0.05$. This suggests that income smoothing does not mediate the influence of foreign ownership on company value. As a result, H₇, which claims that income smoothing mitigates the impact of foreign ownership on company value, is rejected.

1. The Effect of Managerial Ability on Income Smoothing

The results of the test of the influence of managerial ability variables on income smoothing showed a regression coefficient value of 0.078 with a significance probability

value of $0.924 > \alpha 0.05$, suggesting that managerial ability has a positive but not significant influence on income smoothing.

The income smoothing produced by a company will be influenced by how capable the manager is in controlling the use of company inputs to produce the desired output, this is in line with DeFond and Park (1997) who suggest that managers in smoothing of income must accurately forecast future earnings and then increase or decrease current income to reduce revenue volatility and produce income in future reporting. This study is consistent with research of Demerjian, *et al.* (2017) which also strengthens the research of Gaganis, *et al.* (2016) and Good, *et al.* (2017) that highly skilled managers are likely to smoothing of income to embed forward-looking information in current earnings, thereby increasing earnings informativity.

Based on the agency theory proposed by Fama (1980), there is an efficient contractual relationship between shareholders (principals) and company managers (agents), where shareholders employ managers as agents to work to maximize well being for shareholders. In accordance with the contract that has been agreed by the principal and the agent, the manager with high ability will continue to keep the earnings. This act of income smoothing aims to provide earnings to the company by considering the future of the company. In line with Demerjian, *et al.* (2017) that managers' ability to even out profits when it benefits all shareholders, but does not reduce income solely for their own personal benefit.

2. The Effect of Foreign Ownership on Income Smoothing

The results of the test of the effect of foreign ownership variables on income smoothing showed a regression coefficient value of 3.160 with a significance probability value of $0.002 < \alpha 0.05$ so that It may be inferred that foreign ownership has a favorable and considerable impact on income smoothing. This shows that large foreign ownership will encourage companies to smoothing of income.

Febrianto (2014) suggests that the ownership structure is believed to have the ability to influence the running of the company in terms of supervising or monitoring the company as well as its management and board of directors which can later affect the performance of a company. So that with large foreign ownership, the profit generated by a company does not fluctuate too much. This research is consistent with the results of research by Rofiqoh, *et al.* (2004) where the results of his research show that companies owned by foreign institutions carry out earnings management in the form of *income decreasing* to avoid political costs. Earnings management and income smoothing are often associated because the actions of both produce income that are different from the actual income that occur. Companies that are mostly foreign-owned usually face information asymmetry problems more often due to geographical and language barriers. This leaves companies with foreign shareholdings more dominantly facing political risks, asymmetric information and legal protections (La Porta, *et al.* , 1999) .

Based on the agency theory proposed by Fama (1980), there is an efficient contractual relationship between shareholders (principals) and company managers (agents), where shareholders employ managers as agents to work to maximize well being for shareholders. However, foreign shareholders retain control of activities in the company's operations.

Therefore, foreign shareholders will play a role in using their knowledge and technology to produce financial reporting with income that do not smooth. In addition, smooth of income also shows that in the period concerned the company has produced satisfactory performance so that the company's equity market value remains stable.

3. The Effect of Managerial Ability on Firm Value

The results of the test of the influence of managerial ability variables on firm value showed a regression coefficient value of 0.036 with a significance probability value of 0.673 > alpha 0.05 so that it can be concluded that managerial ability has positive but not significant influence on firm value. This shows that the higher the ability of a manager, the value of the company tends to increase but does not have a strong enough influence.

The resulting value of firm will be influenced by the ability of a manager to manage company operations to achieve company efficiency by planning, organizing, implementing, and controlling performance processes in terms of inputs to produce *outputs* that can provide satisfaction for stakeholders. Holcomb, *et al.* (2009) demonstrate that managerial skills can form the basis of value creation and performance gains when resources are utilized effectively and efficiently. This research is consistent with the results of Ng and Daromes' (2016) research which shows a positive and significant influence on company value, where managers who have better expertise in investment and financial decision making will have a fixed effect on corporate governance.

Based on *the stakeholder* theory proposed by Freeman and Reed (1983) that managers are obliged to run company operations and meet the needs of the company and are able to provide additional value for investors and meet the needs of other company stakeholders. Anom (2018) suggests that company managers are people elected by shareholders and are shareholders' trust in managing and running the company effectively and efficiently. According to Ng and Daromes (2016), managers can manage company operations by using company assets efficiently to create a broad market share for the company by paying attention to the company's best revenue segment, increasing the efficiency of using free cash flow and being able to consider changes in foreign exchange rates when there are certain transactions in foreign currencies. Thus, shareholders will select and assign professional managers to determine the right strategy so that the value of assets and the market value of equity can increase, so that it also shows the value of the firm depends on the decision making made by shareholders.

4. The Effect of Foreign Ownership on Firm Value

The results of the test of the influence of foreign ownership variables on company value showed a regression coefficient value of 0.433 with a significance probability value of 0.000 < alpha 0.05 so that it can be concluded that foreign ownership has a positive and significant influence on firm value. This shows that the more foreign shareholders in a company, the value of the firm will tend to increase.

The resulting firm value will be influenced by share ownership owned by foreign parties in monitoring and controlling company operations. Choi, *et al.* (2012) suggests that foreign ownership opens up possibilities for technology transfer and a more effective professional workforce and company operations. This research is in support with

Sissandhy (2014) and Hizazi (2014) which show that foreign ownership has a significant effect on firm value so that companies with greater foreign share ownership will have a greater company value as well. This shows that the management and use of company assets will be more effective and efficient if managed by many foreign shareholders which results in an increase in the market value of a company's equity.

Based on *stakeholder* theory, according by Ng and Daromes (2016) which suggests that the stakeholder perspective is to create a higher level of welfare for stakeholders involved in the value creation system led by the company. Consistent with *stakeholder* theory, foreign shareholders will strive to have a positive impact on the company such as large investment opportunities and high value to a company. Nuraini (2016) suggests that investors will be more selective in choosing companies with foreign ownership that are considered more ready and able to manage their funds and can provide these investors with benefits. Thus, the welfare of stakeholders, especially investors, in the sustainability of the company in the future can be well guaranteed.

5. The Effect of Income Smoothing on Firm Value

The results of the effect of the income smoothing variable on the company's value showed a regression coefficient value of -0.180 with a significance probability value of $0.042 < \alpha 0.05$ so that it can be concluded that income smoothing has negative and significant influence on the firm value. This shows that a high level of income smoothing in a company will tend to reduce the value of the firm.

The resulting value of firm will be influenced by the income smoothing carried out. The value of the firm can be shown from the level of trust investor in a company. In general, income that are smooth intentionally so that they appear less fluctuating will produce false information in decision making for the future so that the value contained in a company will decrease along with the quality of reporting low profit information in the long run, consistent with Wang and Williams (1994) who suggest that income smoothing reduces the content of earnings information. This research is inconsistent with the results of Bao and Bao's (2004) research which shows that income smoothing has a significant positive effect on company value, which means that the higher the level of income smoothing carried out by a company, the higher the value of the firm.

Based on *the stakeholder* theory proposed by Freeman and Reed (1983) that managers are obliged to run company operations and meet the needs of the company and are able to provide additional value for investors and meet the needs of other company stakeholders. Therefore, the smoothing of income carried out by the company will give a bad view and thinking about a company. This stakeholder theory focuses on the relationship between organizations and *their stakeholders* (Ng and Daromes, 2016), so that if the company has decreased *stakeholder trust*, especially investors, the company's stock price will also decrease.

6. The Mediation effect of Income Smoothing on Managerial Ability and Firm Value

The results of testing the mediating role of income smoothing on the influence of managerial ability variables on value of firm based on the results of sobel testing in table 5 show that income smoothing does not play a role in mediating the influence of managerial

ability on firm value with a *p value of sobel test of* $0.924 > \alpha 0.05$. This shows that with managers doing or not smooth of income, does not affect the value of the firm.

The agency theory proposed by Fama (1980) that there is an efficient contractual relationship between shareholders (principals) and company managers (agents), where shareholders hire managers as agents to work to maximize earnings for shareholders. In addition, the stakeholder theory put forward by Freeman and Reed (1983) that managers are obliged to run company operations and meet the needs of *the* company and are able to provide additional value for investors and meet the needs of other company stakeholders. Based on these two theories, it can be concluded that managers have responsibilities to shareholders and *stakeholders* in terms of earnings and welfare. Therefore, managers must make decisions about actions that must be taken for the sustainability of a company.

In general, not all *stakeholders*, especially investors, only consider the results of income that has been achieved by a company to make investment decisions. This is because income is the result obtained in one period or in the short term, while when compared, assets are the basis for the company to obtain income that is managed continuously or in the long term. This means that investors are more predictive of the profits that can be generated by the company in the future. This is consistent with agency theory and *stakeholder theory*, where managers provide benefits for shareholders and *stakeholders* by managing company assets well to increase the market value of equity.

7. The Mediation effect of Income Smoothing on Foreign Ownership and Firm Value

The results of testing the mediating role of income smoothing on the influence of foreign ownership variables on firm value based on the results of the sobel test in table 5 show that income smoothing does not play a role in mediating the influence of foreign ownership on company value with a *p value of sobel test of* $0.088 > \alpha 0.05$. This shows that with foreign shareholders doing or not smooth of income, it does not affect the value of the company.

Eisenhardt (1989) suggests that there are two specific contributions of agency theory to organizational thinking. First is information interpretation, this gives importance to formal information systems, such as budgeting. Both are risk implications, where the organization is assumed to have an uncertain future and part of that future is controlled by the members of the organization. In addition, *stakeholder* theory put forward by Ng and Daromes (2016) suggests that the stakeholder perspective is to create a higher level of welfare for stakeholders involved in a value creation system led by the company. Based on these two theories, it can be concluded that shareholders, especially foreign parties, will take advantage of the interpretation of information and risk implications to control the company's future in order to create the welfare of stakeholders.

Generally, foreign ownership is an added value in providing benefits for companies, especially in terms of investment because according to Nuraini (2016) that foreign ownership is considered more ready and able to manage their funds and can provide para investors benefits. Chhibber and Majumdar (1999) also suggest that in certain countries and industrial firms show on average foreign ownership performs better than domestic workers. Based on this, it is believed that foreign parties have knowledge and technology

that can manage company assets efficiently and effectively to generate profits and have a positive influence on a company in the future so that investors are confident in companies with foreign ownership that Considered to have provided good and guaranteed quality financial information reporting

CONCLUSION

This study was conducted with the aim of investigating the effect of managerial ability and foreign ownership in reducing income smoothing to increase value of the firm. Based on the testing and data analysis results that have been carried out, the conclusions of this study are as follows; Managerial ability has a positive but not significant influence on income smoothing. The results of this study show that although managers have produced good performance, there are still things that cannot be controlled so that managers take income smoothing actions by considering the sustainability of the company in the future.

Foreign ownership has a positive and significant influence on income smoothing. The results of this study show that foreign shareholders use their modern knowledge and technology in controlling and supervising financial reporting in order to generate profits that do not fluctuate too much. Managerial ability has a positive but not significant influence on the value of the firm. The results of this study show that the control function is generally still held by controlling shareholders so that managers still have restrictions in controlling company operations to increase company value.

Foreign ownership has a positive and significant influence on the value of firm. The results of this study show that foreign ownership is considered to provide added value so that investors are more interested in investing their shares in companies that have foreign ownership. Income smoothing has a negative and significant influence on the value of the firm. The results of this study show that companies that do income smoothing are considered less able to manage their assets well and this can affect the market value of a company's equity.

Income Smoothing does not act as a mediating variable on the influence of managerial ability on value of the firm. The results of this study show that investors do not only consider the results of current income, so that managerial ability in managing assets to generate profits in the future can also be one of the considerations to increase the value of the company.

Income Smoothing does not act as a mediating variable on the effect of foreign ownership on the value of the firm. The results of this study show that investors believe that foreigners have the knowledge and technology that can manage company assets efficiently and effectively and have a positive influence on a company in the future.

REFERENCES

- Alzoubi, Ebraheem Saleem Salem. (2016). Ownership Structure and Earnings Management: Evidence from Jordan. *Accounting & Information Management*, 24(2).
- Anom, Adhiapsari Ni Made. (2018). The Effect of Managerial Ability on Firm Performance with Earning Management as Intervening Variable. *RJOAS*, 80(8), 149–155.
- Baik, Bok, Choi, Sunhwa, & Farber, David B. (2017). Managerial Ability and Income Smoothing. 1–64.
- Bao, Ben Hsien, & Bao, Da Hsien. (2004). Income Smoothing, Earnings Quality and Firm Valuation. *Business Finance & Accounting*, 31(December), 1525–1558.

- Boardman, Anthony E., Mallery, Wendy L., & Vining, Aidan R. (1994). Learning from Ex Ante / Ex Post Cost-Benefit Comparisons: The Coquihalla Highway Example ? 28(2), 69–84.
- Chhibber, Pradeep K., & Majumdar, Sumit K. (1999). Foreign Ownership and Profitability: Property Rights, Control, and the Performance of Firms in Indian Industry. *Law and Economics*, 42(1), 209–238.
- Choi, Suk Bong, Park, Byung Il, & Hong, Paul. (2012). Does Ownership Structure Matter for Firm Technological Innovation Performance? The Case of Korean Firms. *An International Review*, 20(3), 267–288. <https://doi.org/10.1111/j.1467-8683.2012.00911.x>
- Chung, Richard, Ho, Sandra, & Kim, Jeong Bon. (2004). Ownership Structure and The Pricing of Discretionary Accruals in Japan. *Publications and Reviews*, 12(3). <https://doi.org/https://doi.org/10.1016/j.intaccudtax.2004.02.003>
- DeFond, Mark L., & Park, Chul W. (1997). Smoothing Income in Anticipation of Future Earnings. *Accounting and Economics*, 23, 115–139.
- Demerjian, Peter, Lev, Baruch, & Mcvay, Sarah. (2012). Quantifying Managerial Ability: A New Measure and Validity Tests. *Management Science*, 58(7), 1229–1248.
- Demerjian, Peter, Lewis-Western, Melissa, & McVay, Sarah. (2017). How Does Intentional Earnings Smoothing Vary With Managerial Ability?
- Eisenhardt, Kathleen M. (1989). Agency Theory : An Assessment and Review. *Academy of Management Review*, 14(1), 57–74.
- Fama, Eugene F. (1980). Agency Problems and the Theory of the Firm. *Political Economy*, 88(2).
- Febrianto, Arief. (2014). Pengaruh Beban Pajak Tangguhan dan Struktur Kepemilikan Terhadap Praktik Manajemen Laba pada Perusahaan Manufaktur di Bursa Efek Indonesia. *TEKUN*, 5(02), 218–229.
- Franedy, Roy. (2018). Cetak Laba Rp 2,66 T, Harga Saham PTBA Naik 1,56%.
- Freeman, R. Edward, & Reed, David L. (1983). Stockholders and Stakeholders : A New Perspective on Corporate Governance. *California Management Review*, 25(3), 88–106.
- Gaganis, Chrysovalantis, Hasan, Iftekhar, & Pasiouras, Fotios. (2016). Regulations, Institutions and Income Smoothing by Managing Technical Reserves: International Evidence from the Insurance Industry. *Omega*, 59, 113–129. <https://doi.org/10.1016/j.omega.2015.05.010>
- Ghozali, Imam. (2016). Aplikasi Analisis Multivariate dengan Program IBM SPSS 23 (Edisi 8). Semarang: Badan Penerbit Universitas Diponegoro.
- Hizazi, Achmad. (2014). Pengaruh Kepemilikan Asing terhadap Nilai Perusahaan dan Dividen.
- Holcomb, Tim R., JR, R. Michael Holmes, & Connelly, Brian L. (2009). Making The Most of What You Have : Managerial Ability as A Source of Resource Value Creation. *Strategic Management*, 30, 457–485. <https://doi.org/10.1002/smj>
- Iqbal, Muhammad. (2016). Pengaruh Intellectual Capital dan Corporate Social Responsibility terhadap Kinerja Perusahaan. Artikel.
- La Porta, Rafael, Lopez-de-Silanes, Florencio, Shleifer, Andrei, & Vishny, Robert. (1999). The Quality of Government. *Journal of Law, Economics and Organization*, 15(1), 222–279.
- Libby, Robert, & Luft, Joan. (1993). Determinants of Judgment Performance in Accounting Settings: "Ability, Knowledge, Motivation, and Environment. *Accounting Organizations and Society*, 18(5), 425–450.
- Ng, Suwandi, & Daromes, Fransiskus E. (2016). Peran Kemampuan Manajerial sebagai Mekanisme Peningkatan Kualitas Laba dan Nilai Perusahaan. *Akuntansi Dan Keuangan Indonesia*, 13(2), 174–193.

- Niamas, Maila. (2018). Faktor yang Mempengaruhi Harga Saham.
- Nuraini, Selvi. (2016). Pengaruh Kepemilikan Saham Intitutional dan Asing terhadap Nilai Perusahaan dengan Pengungkapan Corporate Social Responsibility sebagai Variabel Pemoderasi.
- Rofiqoh, Ifah, & Jatiningrum, C. (2004). Struktur Kepemilikan dan Manajemen Laba. Makalah, (Simposium Dwi Tahunan J-AME-R yang diselenggarakan oleh CAMD Universitas Teknologi Yogyakarta 14 Agustus).
- Sissandhy, Aldila Khairina. (2014). Pengaruh Kepemilikan Asing terhadap Nilai Perusahaan dengan Pengungkapan Corporate Social Responsibility sebagai Variabel Intervening.
- Solihin, Yudy Sisturino. (2004). Analisis Pengaruh Income Smoothing dan Laba sebelum Pajak terhadap Nilai Perusahaan pada Perusahaan Publik di Bursa Efek Jakarta.
- Utami, Ajeng Elka Putri. (2017). Pengaruh Manajemen Laba terhadap Nilai Perusahaan dengan Kualitas Audit sebagai Variabel Pemoderasi. 1–97.
- Verawati, Diana. (2012). Pengaruh Diversifikasi Operasi, Diversifikasi Geografis, Leverage dan Struktur Kepemilikan terhadap Manajemen Laba.
- Wahyudi, Untung, & Pawestri, Hartini Prasetyaning. (2006). Implikasi Struktur Kepemilikan terhadap Nilai Perusahaan: dengan Keputusan Keuangan sebagai Variabel Intervening. 23–26.
- Wang, Zhemin, & Williams, Thomas H. (1994). Accounting Income Smoothing and Stockholder Wealth. *Applied Business Research*, 10(3).

Copyright holders:

Suwandi Ng, Livia Chandra (2023)

First publication right:

Injurity - Interdisciplinary Journal and Humanity



This article is licensed under a Creative Commons Attribution-ShareAlike 4.0 International