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## **The Influence of Managerial Ownership, Institutional Ownership, Company Growth Toward Earning Management and Its Implication on Quality of Financial Reporting**

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**Abstract.** Financial reporting contains the disclosure of financial information to the various stakeholders about the financial performance and financial position of the organization over a specified period of time. The financial reporting should be reliable and relevant. It is required by each and every stakeholder for multiple reasons and purposes. By enhancing financial reporting quality, it can reduce information asymmetries.

This study examines the influence of managerial ownership, institutional ownership, company growth toward earning management and its implication on quality of financial reporting for a manufactures company in which listed in The Indonesian Stock Exchange (IDX). The manager who engage in ownwership aims to equalize the interests of managers with shareholders. Institutional ownership is as share ownership by external parties in the forms of institutions or groups. A company growth generates significant positive cash flows or earnings and tends to have profitable investment. Information about earnings has an important role for interested parties in a company and in turn this lead the quality of financial reporting.

This research is as casual study, and the explanatory research within descriptive and verification approach is used as research method. Using the secondary data with primary resource of annual audited financial statement of the company. The sample selection was done by purposive sampling technique with 24 samples of manufacture companies listed in IDX during 2011-2015. The hypotehesis test is conducted using Partial Least Square (SEM-PLS).

The research result shows empirical evidence that managerial ownership and company growth influence toward earning management, while institutional ownership did not influence the earning management. Managerial ownership, institutional ownership, and company growth did not influence the quality of financial reporting. Earning management influence the quality of financial reporting. Managerial ownership influence the quality of financial reporting through earning management. Institutional ownership and company growth through earning management did not influence the quality of financial reporting.

**Keywords:** managerial ownership, institutional ownership, company growth, earning management, quality of financial reporting.