

Earnings Management: Investment Opportunity Set, Corporate Social Responsibility and Profitability

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ABSTRACT

Earnings management is defined as management's opportunistic behavior to manipulate earnings according to management's interests. The company's goal is to gain profits, where the company's financial performance is proxied by the company's ability to earn profits. Based on the above phenomenon, the research problem is whether IOS and CSR have direct or indirect effect on profitability and whether IOS, CSR, and Profitability affect Earnings Management and whether IOS and CSR through Profitability affect Earnings Management. This study aims to examine and analyze: (1) Whether IOS and CSR have direct and indirect effect on Profitability, (2) Whether IOS, CSR and Profitability affect Earnings Management and, (3) Whether IOS and CSR through Profitability affect Earnings Management.

Keywords: Investment Opportunity Set, Corporate Social Responsibility, Profitability, Earnings Managemet