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INFLUENCE OF BUSINESS GROUPS, TAX PLANNING AND GOOD CORPORATE GOVERNANCE ON EARNING MANAGEMENT IS MODERATE BY OWNERSHIP OF CONTROLLING SHARES IN COMPANIES MERCHANT TO THE JAKARTA ISLAMIC INDEX 70

Marnija[1]*, Holiawati[2], Endang Ruhiyat[3]
[1.2]Postgraduate Faculty of Masters in Accounting Pamulang Universities, Indonesia
*Corresponding Author:
marnija.crb@gmail.com

Abstract
The aim of this research is to examine the influence of Business Groups, Tax Planning and Good Corporate Governance on Earning Management, moderated by Controlling Share Ownership. This type of research uses associative quantitative methods, which emphasize hypothesis testing through measuring research variables with numbers and analyzing data using statistical procedures. This research uses panel data. The objects of this research are companies that are members of the Jakarta Islamic Index 70 which are listed on the BEI for the 4 years 2020-2023. In this research, nonprobability sampling was used with a saturated sampling technique so that there were 70 samples and 280 observation data. This data analysis uses Panel Data Regression Test and Moderated Regression Analysis (MRA). The results of this research include that the Business Group and Tax Planning variables have no effect on Earning Management, while Good Corporate Governance has an effect on Earning Management. Meanwhile, the results of the Moderation test show that Controlling Share Ownership is able to moderate the relationship between Business Groups and Earning Management. Meanwhile, Controlling Share Ownership is unable to moderate the relationship between Tax Planning and Good Corporate Governance on Earning Management.

Keywords: Earning Management, Business Groups, Tax Planning, Good Corporate Governance, Jakarta Islamic Index 70

1. Introduction

This section describes the background to the issue or problem as well as the urgency and rationalization of the research. This section also describes the purpose and contribution of research and the organization of article writing (if deemed necessary).

Profit is information in financial reports that is the basis for decision making for stakeholders, including shareholders. Shareholders use profits and share prices as a basis for assessing managers' performance to make decisions, such as decisions on providing compensation for managers (Scott, 2015). Assessment of manager performance based on profits will encourage managers to choose accounting policies that support their interests.

Managers can also take concrete actions that change cash flows to influence the size of profits. This effort is called earnings management. Earnings management is a phenomenon that is difficult to avoid because this phenomenon is the impact of using the accrual basis in preparing financial reports. Earnings management arises as a result of the use of accounting as a means of communication between interested parties and the inherent weaknesses in accounting which cause judgment (Setiawati, 2002). Management as the party who prepares financial reports has a goal of how to get the desired profit for

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the company (Ahmad & Wahyu, 2020). Profit information is often used as a target for manipulation by management to gain personal gain.

Earnings management is a phenomenon that is difficult to avoid because this phenomenon is the impact of using the accrual basis in preparing financial reports. Managers carry out earnings management based on motivation (Suripto, 2021). The motivation behind managers to carry out earnings management will direct managers to carry out a pattern of data manipulation, whether profits will be increased, decreased or remain stable. The pattern used will provide benefits for managers and the company itself. This pattern is usually carried out to beautify performance results so that they remain attractive to investors, especially shareholders and stakeholders with public company status where their annual financial reports (LKT) can be displayed transparently to the public.

In this research, there is a gap phenomenon in the earnings management variable. This gap phenomenon occurred at PT. Timah, Tbk. In this case, PT. Timah, Tbk is suspected of providing false financial reports in 2015 to cover up the company's financial performance which was getting weaker from year to year. As well as lying to the public through the media by saying that the company's strategy and efficiency have produced positive performance. In reality, the company experienced a decline in profits with a loss of Rp. 59 billion. Apart from that, PT. Timah Tbk recorded an increase in debt of almost 100%, namely Rp. 2.3 trillion compared to 2013 which only reached Rp. 263 billion. Because the Board of Directors of PT. Timah, Tbk was unable to get out of the trap of losses, so PT. Timah, Tbk handed over 80% of the mining area to business partners with negative consequences for the future of PT. Timah, Tbk, especially for 7,000 employees in state-owned companies (tambang.co.id, 2016).

Business groups are associated with being involved in earnings management, with more complex corporate structures group companies have more flexibility and discretionary tools than single companies (Beuselinck & Deloof, 2014). Likewise, group companies with full ownership are associated with being involved in earnings management because the parent company as the majority shareholder has control over its subsidiaries and control rights which make it easier to access private company information and can divert company resources through related party transactions (Heflin & Shaw, 2000).

For companies, tax is considered a burden that must be borne by the company. Taxes borne by the company are a cost element that can reduce profits, because the higher the tax borne by the company, the smaller the profits earned by the company. So there is a tendency for management to minimize their tax payments. Efforts to minimize taxes are often called tax planning. One of the factors that influence earnings management is tax planning. Generally, tax planning refers to the process of engineering a taxpayer's business and transactions so that the tax debt is in a minimal amount but is still within the framework of the applicable tax regulations, so that tax planning is a legal action as long as it is within the corridors of the applicable tax laws in Indonesia.

Apart from the gap phenomenon, in this research there is a research gap in business groups regarding earnings management. There is a research gap in research conducted by Yuliantoro and Kusumadewi (2019) and Suranta et al (2016) which found that business groups or business groups have a positive and significant effect on earnings management. However, research conducted by Lestari, (2014) states that business groups have no effect on earnings management.

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Furthermore, the research gap on tax planning on earnings management, namely research conducted by Febrian et al, (2018) and Santana and Wirakusuma, (2016) revealed that tax planning has a positive and significant effect on earnings management. However, the opposite research results were revealed by Kadarusman and Putri, (2021) and Astuti and Oktaviani, (2021) that tax planning has no effect and is not significant on earnings management.

Based on the Research Gap and the Gap Phenomenon as described in the background of this research, the research on "Business Groups, Tax Planning and Good Corporate Governance on Earning Management Moderated by Controlling Share Ownership in Companies Joined in the Jakarta Islamic Index 70 (JII70)" is interesting to researched.

2. Theoretical Background

2.1 Agency theory

According to Jensen & Meckling (1976), agency theory is a contract between the agent and the owner. The owner will give the manager the ability to make decisions so that this contractual relationship runs smoothly. Agency conflict can occur due to earnings management, which is often referred to as agency conflict, and conflict of information received, where the principal has more information than the agent (Suripto and Novitaria, 2021). According to Suripto and Novitaria (2021), in agency theory, there is a contract or agreement between resource owners and managers to manage the company and achieve its main goal, namely maximizing profits. Managers have the ability to use various methods to achieve these goals, both in effective and ineffective ways.

2.2 Stakeholder Theory

According to stakeholder theory, the existence of a company requires support from stakeholders. Therefore, company actions also require approval from stakeholders (Suripto, 2021). According to this theory, organizations will voluntarily disclose information about their environmental, social, and intellectual performance more than is necessary to meet actual or recognized stakeholder expectations. Companies use information disclosure as a management tool to manage the information needs of various responsible groups. Stakeholders expect managers to perform and report on tasks they deem important. Based on stakeholder theory, companies do not only pay attention to the interests of shareholders; it is also responsible to all stakeholders, including suppliers. Government, workers, communities, consumers and other parties affected by corporate activities. Building good relations with the community around the company is one form of this responsibility. Business group activities and controlling shareholding ensure that the company supports stakeholders.

2.3 Earning management

According to Scoot (2011:432), earnings management is a manager's decision to choose certain accounting policies to achieve certain goals, such as increasing profits or reducing the level of losses to be reported. According to Scoot (2011:436), several reasons that encourage management to commit fraud are:

1) Bonus motivation: Managers will try to increase net income to maximize bonuses;
2) Debt Covenant Hypothesis Hypothesis) also known as a "debt covenant hypothesis", relates to the covenants and terms of a debt that must be repaid or paid. High profit potential can reduce the possibility of violating the terms of the debt agreement.
3) Meeting investor profit expectations and maintaining reputation: companies that

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report profits greater than investor expectations will experience a significant increase in share prices because investors predict the company will have a good future and continue to experience progress.

4) Managers of companies going public will be motivated through an IPO (Initial Public Offering) to improve reported earnings management and increase share prices. Investors can maintain control over the company by obtaining funds through debt (Brigham and Houston, 2010: 143). They can also limit their investment through debt with the input of fresh funds through IPO. The measurement of earnings management in this research refers to Suripto's (2021) research, namely using non-discretionary accruals.

2.4 Business Group

Companies that are bound formally and informally, are accustomed to carrying out coordinated actions, and stand independently according to law are called business groups (Khanna & Rivkin, 2001). Leff (1978) defines a business group as a group of companies that operate in different markets but are supervised administratively and financially, and have interpersonal trust relationships based on similar ethnic and financial backgrounds.

2.5. Tax Planning

To minimize a company's tax liabilities, tax planning is a collection of methods for managing a company's accounting and finances. Tax planning is the process of managing the business of a taxpayer or group of taxpayers so that tax debt, both PPh and other tax burdens, is minimized (Pohan, 2013: 8). Tax planning is legalized by the government as long as it is within the applicable tax regulations. The tax planning variable formula according to Wield et al, 2004 is as follows:

$$\text{TRRith} = \frac{\text{Net Income}}{\text{Pretax Income (EBIT) it}}$$

2.6 Good Corporate Governance

Corporate governance is a system that regulates roles and relationships. Shareholders, shareholders and the role of directors corporate governance can also be defined as a transparent system for setting the company's goals, assessing its achievements and evaluating its performance. Therefore, if companies have the ability to fully implement corporate governance mechanisms, they can reduce earnings management practices and improve the quality of financial reports (Nugraheni, Nugrahanti, 2015). Corporate governance is defined as the systems, principles and processes that are regulated by governance and that provide direction to control and direct a company to meet its goals and objectives (Kausalty, 2013). The Good Corporate Governance variable formula uses 25 recommendations proposed by the Financial Services Authority Circular Letter Number 32/SEOJK.04/2015.

2.7 Controlling Share Ownership

Controlling shareholders are individuals, families or institutions who have direct or indirect control over a public company at a certain threshold level of control rights. The formula for the Controlling Share Ownership variable according to Choi & Kim (2013) is:

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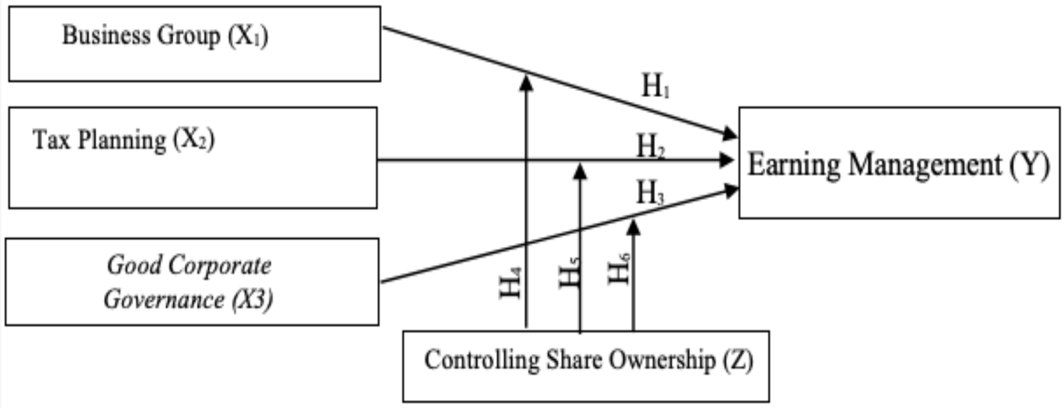
$$\text{Index IFR} = \frac{\text{Total shares owned by the Controller}}{\text{Total shares outstanding}} \text{ X } 100\%$$

2.8 Hypothesis Formulation

The variables that will be tested in this research will be developed in a conceptual framework which can be described as follows:



Figures 1. Conceptual Frameworks

H1: It is suspected that Business Groups have an influence on Earning Management

H2: It is suspected that Tax Planning has a positive effect on Earning Management

H4: It is suspected that Good Corporate Governance has an influence on Earning Management.

H4: It is suspected that controlling share ownership can moderate the influence of business groups towards Earning Management.

H5: It is suspected that Controlling Share Ownership moderates the Tax Planning relationship towards Earning Management.

H6: It is suspected that controlling share ownership moderates the Good Corporate relationship Governance of Earning Management.

3. Methods

This type of research is research using quantitative methods. Quantitative methods emphasize hypothesis testing through measuring research variables with numbers and analyzing data using statistical procedures (Sekaran, 2015). This research refers to an associative problem formulation, namely a research problem formulation that asks about the relationship between two or more variables (Sekaran, 2015), with the form of a comparative causal relationship, namely research with problem characteristics in the form of a cause-and-effect relationship between two or more variables. The research that will be carried out uses panel data.

According to (Gujarati, 2012) panel data is a combination of time series data and cross section data. Time series data is data from one object over several specific time periods, while cross section data is data obtained from one or more research objects in the same period. The data source from research conducted by researchers is a secondary data source, namely a data source obtained from historical data. The objects of this research are companies that are members of the Jakarta Islamic Index 70 which are listed on the BEI for the 4 years 2020-2023. In this research, nonprobability sampling with saturated sampling technique was used.

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$$Yit = \alpha + \beta1.X1\ it + \beta2.X2\ it + \beta3.X3\ it + \varepsilon$$
$$Yit = -\ \alpha\ 0 - \beta1X1.it - \beta\ 2X2\ ait + \beta3X3bit + \beta4X1.Zit - \beta5X2.Zit + \beta6X3.Zit + e$$

Information:
Y it = Earning Management
α = Constant (intercept)
β1, β2, β3 = Regression coefficients for each independent variable
X1 = Business Group
X2 = Tax Planning
X3 = Good Corporate Governance
Z = Controlling Share Ownership

4. Results and Discussion

4.1 Descriptive Statistics

Descriptive statistics aims to get a picture of the distribution in this study including earnings management variables, business groups, tax planning, Good Corporate Governance and controlling share ownership. The results of descriptive statistical testing can be seen in the table below:

Table 1. Descriptive Statistics Test Results

	E.M	GB	TRR	GCG	KSP
Mean	0.059637	0.925000	0.652582	0.960286	0.564971
Median	0.006054	1,000000	0.747079	1,000000	0.572819
Maximum	0.976285	1,000000	2.674891	1,000000	0.999952
Minimum	-0.036214	0.000000	-0.178930	0.600000	0.000000
Std. Dev.	0.155143	0.263863	0.299672	0.104986	0.183928
Skewness	3.935199	-3.227137	0.173675	-2.891285	-1.016777
Kurtosis	19.44116	11.41441	9.861706	10.01878	4.940568
Jarque-Bera	3876.308	1312.034	550.7094	964.8496	92.18010
Probability	0.000000	0.000000	0.000000	0.000000	0.000000
Sum	16.69846	259,0000	182.7231	268.8800	158.1918
Sum Sq. Dev.	6.715330	19.42500	25.05508	3.075177	9.438403
Observations	280	280	280	280	280

Source: EViews 12 data processing results, (2024)

Information:
EM = Earning Management
GB = Business Group
TRR = Tax Planning
GCG = Good Corporate Governance
KSP = Controlling Share Ownership

Based on table 1, it explains that the number (observations) of 280 samples came from 70 Jakarta Islamic Index 70 (JII70) companies listed on the Indonesia Stock Exchange during 4 periods, namely 2020-2023.

1) The Earnings Management (EM) variable has a mean value of 0.059637, the median value 0.006054, maximum 0.976285 found in Chandra Asri Petrochemical Tbk data for 2022, minimum value -0.036214 is found in Metrodata Electronics Tbk. Tbk in 2022 and the standard deviation value is 0.155143.
2) The Business Group (GB) variable has a mean value of, a median value of 0.925000, a minimum value of 0.000000, found in several companies such as BSI, XL and others

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in how many years, a maximum value of 1.000000, found in several companies and several years too and the value the standard deviation is 0.263863

3) Variable (TRR) has a mean value of 0.652582, a median value of 0.747079, a maximum value 2.674891, found in Indocement Tbk in 2020, minimum value -0.178930, Harum, Indotambang Raya and others in 2020 and the standard deviation value is 0.299672.
4) The GCG variable has a mean value of 0.960286, a median value of 1.000000, a maximum value of 1.000000, found in Indofood, Indocement and others in different years, a minimum value of 0.600000, found in Harum, Indo Tambang and others in different years also different and the standard deviation value is 0.104986.
5) The Controlling Share Ownership (KSP) variable has a mean value of 0.564971, a median value of 0.572819, a maximum value 0.999952 is found in MNC Vision Tbk in 2021, the minimum value is 0.000000 in the Medikaloka Hermina Company, and the standard deviation value is 0.183928.

4.2 Panel Data Regression Estimation

Table 2. Conclusion of Equations Model

No	Method	Testing	Results
1	Chow Test	Common Effect vs Fixed Effect	Fixed Effect
2	Hausman Test	Fixed Effect vs Random Effect	Random Effect
3	Lagrange Multipliers Test	Common Effects and Random Effect	Random Effect

Source: Data processed by researchers, 2024

Based on the results of the Chow test, Hausman test and Lagrange multiplier test above, the researchers decided that the best model to use in this research was the random effect model (REM).

4.3 Simultaneous F Test

Table 3. F Test Results – Simultaneous

MSE Root	1.710836	R-squared	0.021014
Mean dependent var	-2.403152	Adjusted R-squared	0.055030
SD dependent var	1.746874	SE of regression	1.728206
Sum squared resid	731.7403	F-statistic	4.314720
Durbin-Watson stat	2.158492	Prob(F-statistic)	0.026503

Source: EViews 12 data processing results, (2024)

Based on table 3, the F-count value is 4.314720 with a significance value of 0.026503 with a total of n = 280, a total of k = 5 and a significance level of 0.05, so the value of df = k– 1 = 5 – 1 = 4 and df2 = n – k = 280-4= 276, F-table value is -2.40435. From these data it can be seen that (F-count 2.418258 > F-table 2.40435). While the probability value (F- statistic) is 0.026503 <0.05, it is concluded that Business Groups, Tax Planning and Good Corporate Governance influence together (simultaneously) on Earning Management.

4.4 Partial Test (t)

Table 4. t Test Results

Variables	Coefficient	Std. Error	t-Statistics	Prob.
C	6.005793	1.719390	3.492980	0.0006
GB	0.090940	0.701231	0.129686	0.8969

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TRR	0.239617	0.489742	0.489272	0.6251
GCG	0.258154	1.397464	2.184730	0.0136
KSP	2.073658	0.957322	2.166103	0.0313

Source: EViews 12 data processing results, (2024)

Based on the results of the t test in table 4 above, it can be seen that the influence between the independent variable partially and the dependent variable is as follows:

1) The Business Group variable has a calculated t-value of 0.129686 which is smaller than the t-table (0.129686 < 1.968628) and a significant value of 0.8969 > 0.05 so it can be concluded that Business Group has no effect on Earning Management.
2) The tax planning variable has a t-calculated value of 0.489272 which is smaller than the t- table (0.489272 < 1.968628) and a significant value of 0.6251 > 0.05, so it can be concluded that tax planning has no effect on earnings management.
3) Good Corporate Governance variable has a t-count value of 2.184730 which is greater than the t-table 2.184730 (2.184730 > 1.968628) and a significant value of 0.0136 < 0.05, so it can be concluded that Good Corporate Governance has an effect on earnings management.
4) The Controlling Share Ownership variable has a calculated t-value of 2.166103 which is greater than the t-table (2.166103 < 1.968628) and the significance value is 0.0313 < 0.05, so it can be concluded that Controlling Share Ownership has an effect on earnings management.

4.5 Moderated Regression Analysis (MRA)

Table 5. Moderating Test Results

Variables	Coefficient	Std. Error	t-Statistics	Prob.
C	0.010192	0.013507	0.754569	0.4512
GB	0.005772	0.005270	1.095341	0.2743
TRR	-0.007165	0.016531	-0.433394	0.6651
GCG	0.007360	0.017463	0.421478	0.6737
KSP_GB	1.571165	0.013227	118.7875	0.0000
KSP_TRR	0.010767	0.027472	0.391936	0.6954
KSP_GCG	-0.038816	0.020362	-1.906341	0.0577
Effects Specification				
			elementary school	Rho
Random cross-section			0.006933	0.1135
Idiosyncratic random			0.019379	0.8865
Weighted Statistics				
MSE Root	0.019066	R-squared		0.981730
Mean dependent var	0.048500	Adjusted R-squared		0.981328
SD dependent var	0.141308	SE of regression		0.019309
Sum squared resid	0.101785	F-statistic		2444,887
Durbin-Watson stat	2.084963	Prob(F-statistic)		0.000000
Unweighted Statistics				
R-squared	0.982998	Mean dependent var		0.059637
Sum squared resid	0.114174	Durbin-Watson stat		1.858715

Source: Eviews 12 data processing results, (2024)

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$$Yit = -\alpha\ 0 - \beta 1X1.it - \beta 2X2.ait + \beta 3X3.bit + \beta 4X1.\ Zit – \beta 5X2.\ Zit + \beta 6X3.\ Zit + e$$

$$\boxed{Y = -\ 0.010192 + 0.005772\ X_1 - 0.007165\ X_2 + 0.007360\ X_3 +}$$

Based on the output results above, it can be concluded as follows:

1) The constant value (coefficient c) shows a constant of - 0.010192 which shows that if the independent variable is considered non-existent then earnings management will the output results Table 4.19 moderated regression analysis shows that the regression coefficient value for Business Group of 0.005772 meaning that if there is a change in 1 unit of profit persistence then there will be an increase Earning Management as big as 0.005772.
2) The output results Table 4.19 moderated regression analysis shows that the regression coefficient value for Tax Planning of - 0.007165, meaning that if there is a change of 1 unit in profit persistence, there will be a decrease Earning Management as big as - 0.007165.
3) The output results Table 4.19 moderated regression analysis shows that the regression coefficient value for Controlling Share Ownership and Business Group of 1.571165 means that if there is a change of 1 unit for Controlling Share Ownership and Business Groups will experience an increase in Earning Management amounting to – 1.571165
4) The output results Table 4.19 moderated regression analysis shows that the regression coefficient value for Controlling Share Ownership and Tax Planning is - 0.010767 meaning that if there is a change of 1 unit of Controlling Share Ownership and Tax Planning, there will be an increase in earnings management as big as – 0.010767.
5) The output results Table 4.19 moderated regression analysis shows that the regression coefficient value for Controlling Share Ownership and Good Corporate Governance is -0.038816 means that if there is a change of 1 unit of Controlling Share Ownership and Good Corporate Governance, there will be a decrease Earning Management as big as -0.038816.
6) The output results Table 4.19 moderated regression analysis shown by the probability value of 0.0000, smaller than the significance value of 0.05. Thus, it can be interpreted that Controlling Share Ownership can moderate the relationship between Business Groups and Earning Management.
7) The output results Table 4.19 moderated regression analysis shown in the results of a probability value of 0.6954 which is greater than the significance value of 0.05. This means that Controlling Share Ownership cannot moderate the relationship between Tax Planning and Earning Management.
8) The output results table 4.19 moderation regression analysis shown in the results of a probability value of 0.0577 which is greater than the significance value of 0.05, which means it cannot moderate connection Good Corporate Governance on Earning Management.

4.6 Discussion

4.6.1 The Influence of Business Groups on Earning Management

Based on panel data regression analysis testing, the t-count result from the Business Group is 0.129686, which is smaller than the t-table (0.129686 < 1.968628) and the significant value is 0.8969 > 0.05. Thus, it can be concluded that Business Groups have no influence on Earning Management. Business Groups have no effect on earnings management because companies that have business groups in the Jakarta Islamic Index 70 (JII70) do not use transactions with subsidiaries to increase earnings management. The

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results of this research are in line with the results of research conducted by Lestari, (2014) stating that Business Groups have no influence on Earning Management. Likewise, Agency Theory, which is used as the basis for this research, does not support the results of this research that Business Groups have no influence on earning management. Agency theory does not support the influence of business groups on earnings management because companies affiliated with business groups occur not only between agents and principals, but also between controlling shareholders and minorities.

4.6.2 The Influence of Tax Planning on Earning Management

Based on panel data analysis testing, the t-count result of tax planning is 0.489272, which is smaller than the t-table (0.489272 < 1.968628) and the significant value is 0.6251 > 0.05. Thus, it can be concluded that Tax Planning has no effect on Earning Management. Tax Planning has no effect on Earning Management because tax planning can be used to detect the existence of Earning Management practices. The results of this research are not in line with the results of research conducted by Santana and Wirakusuma (2016), where tax planning has no effect on Earning Management. Apart from that, this research uses agency theory, where agency theory does not support this research which states that Tax Planning has an effect on Earning Management. Agency theory does not support the influence of tax planning on earnings management because the government (fiscus) as the principal and management as the agent each have different interests in terms of tax payments. The company (agent) tries to pay as little tax as possible because paying tax means reducing the company's economic capacity.

4.6.3 The Influence of Good Corporate Governance on Earning Management

Good Corporate Governance variable has a calculated t-value of 2.184730, which is greater than the t-table (2.184730 > 1.968628). Meanwhile, the significant value is 0.0136 < 0.05. Thus, it can be concluded that Good Corporate Governance Influences Earning Management. Good Corporate Governance has an influence on Earning Management because GCG is one part of the company that is the direction, as well as controlling the company so that the company achieves a balance between the strength and authority of the company in providing accountability to shareholders (shareholders), especially stakeholders (stakeholders) in generally. The results of this research are the same as the results of research conducted by Agoes and Ardana, (2013:78) and Suliatiawan, et al (2011). Meanwhile, the Agency Theory used in this research supports the influence of Good Corporate Governance on Earning Management. Agency theory supports that good corporate governance influences earnings management because earnings management practices are influenced by conflicts of interest between management (agent) and owner (principal) which arise when each party tries to achieve and maintain the level of prosperity they desire. The existence of differences in interests between management and owners can be influenced by policies decided by management.

4.6.4 Controlling Share Ownership moderates the relationship of Business Groups to Earning Management

Controlling share ownership Based on the MRA test, it shows that the probability value of Controlling Share Ownership with a Business Group is 0.0000, which is smaller than α = 0.05. Meanwhile, the t-statistic value is 118.7875. Thus, it can be concluded that Controlling Share Ownership is able to moderate the relationship between Business Groups and Earning Management.

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Controlling Share Ownership to moderate the relationship between Business Groups and Earning Management because Controlling Share Ownership in companies that have Business Groups actually reduces Earning Management. The results of this research are in line with the research results of Choi & Kim (2013). Companies in Korea have an obligation to be transparent in their financial reports, so family ownership of Business Group companies in Korea prevents legal costs and maintains the company's reputation by reducing Earning Management.

4.6.5 Controlling Share Ownership moderates the relationship between Tax Planning and Earning Management

Based on the MRA test results in table 4.19, it shows that the probability value of Controlling Share Ownership with Tax Planning of 0.6954 is greater than α = 0.05. Meanwhile, the t-statistic value is 0.391936. Thus, it can be concluded that Controlling Share Ownership is unable to moderate the relationship between Tax Planning and Earning Management.

Controlling Share Ownership does not moderate the relationship between Tax Planning and Earning Management because controlling shareholders in companies that are members of the Jakarta Islamic Index 70 (JII70) carry out Earning Management not for tax planning purposes. The results of this research are in line with research by Suranta et al (2016) which states that tax planning has no effect in moderating the relationship between Business Groups and Earning Management.

4.6.5 Controlling Share Ownership moderates the relationship between Good Corporate Governance and Earning Management

Based on the MRA test in table 4.19, it shows that the probability value of Controlling Share Ownership with Good Corporate Governance is 0.0577, which is greater than α = 0.05. Meanwhile, the t-statistic value is -1.906341. Thus, it can be concluded that Controlling Share Ownership is unable to moderate the relationship between Good Corporate Governance and Earning Management.

Controlling Share Ownership is not able to moderate the relationship between Corporate Governance and Earning Management because companies in which other companies are controlling shareholders are not appropriately classified as companies with broad ownership because in reality these public companies are controlled by other public companies whose ownership is widely owned by the public.

5. Conclusion

Based on hypothesis testing in this research, it can be concluded as follows:

1) The Business Group variable has no effect on Earning Management in companies on the Jakarta Islamic Index 70 (JII70).
2) The tax planning variable has no effect on Earning Management in companies on the Jakarta Islamic Index 70 (JII70).
3) The Good Corporate Governance variable influences Earning Management in companies on the Jakarta Islamic Index 70 (JII70).
4) Controlling Share Ownership is able to moderate the relationship between Business Groups and Earning Management in companies on the Jakarta Islamic Index 70 (JII70) .
5) Controlling Share Ownership is unable to moderate the relationship between Tax Planning and Earning Management in companies on the Jakarta Islamic Index 70

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(JII70).

6) Controlling Share Ownership is unable to moderate the relationship between Good Corporate Governance on Earning Management in companies in the Jakarta Islamic Index 70 (JII70).

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