

**ANALYSIS OF THE EFFECT OF BOARD CHARACTERISTICS TO
EARNINGS MANAGEMENT IN FAMILY COMPANIES**

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Abstract

As more and more companies are developing in Indonesia, there are several companies owned by families and are also inherited from generation to generation, where attention to protection for minority shareholders is relatively low. Research purpose is to show how much influence of board characteristics that focus on the board independency, the size of directors, dual positions or directors with many positions outside the company, the frequency of meetings of directors, boards with experience in finance and female directors in influencing earnings management are measured using jones discretionary accrual model.

Findings from the test results conducted indicate the independent board either board director size are not statistically negatively linked to earnings management, this proves the existence of both variables is not effective in reducing earnings management. The dual position held by the directors also does not affect the practice of data manipulation. Along with frequent board meetings, this does not affect overseeing the performance of management and women directors tend to avoid risk in decision making, with a director with financial experience, the detection of earnings management is easier to do.

It can be concluded that corporate governance in the board characteristics does not affect the family company where the management of opportunistic behavior of management only supports non-family companies.

Keywords: *earnings management, corporate governance, family company.*